Appendix C: Medium Term Financial Strategy 2025/26 to 2029/30

Committee:	Scrutiny	**Date:** Tuesday, 4 February
Title:	Appendix C: Medium Term Financial Strategy 2025/26 to 2029/30	
Portfolio Holder:	Cllr Hargreaves, Portfolio Holder for Finance	
Report Author:	Gareth Robinson, Interim Director of Finance, Revenues and Benefits	

Summary

1. This is the Medium Term Financial Plan proposed for 2025/26. There is still the potential for minor changes, with Scrutiny and Cabinet still to make recommended updates.

2. The budgeting process for 2025/26 has been noticeable for the level of uncertainty with significant changes for resource allocations by the Government. While many of the methodologies have been released for review, not all of the provisional figures have been released, therefore we are still making some degree of assumptions.

3. This budget reflects some acute business pressures and therefore contains a number of growth bids but they are almost exclusively in relation to basic compliance or to manage the scale of change driven primarily by local government reorganisation.

4. The movement from the Draft Budget presented to Members in December to the current revised budget is provided below:

Table 1: Change between Draft Budget and Final Budget

Movements	**£'000s**
Draft Budget Deficit for 2025/26	271
Housing Benefit Subsidy Gap (difference between the grant received and the amount paid to house residents in temporary accommodation)	100
National Insurance Grant allocation does not cover the national insurance increases as was originally stated. This is the gap	169
Contingency increases to cover the increased risks.	217
Better Fee and Charge Forecast Growth Estimates	(207)
NNDR Final Estimate lower than October calculation	293
Other Minor Differences	10
Revised Budget Deficit	**854**

5. The overriding message is one of pressures affecting the council's fiscal position. Moreover, this is all taking place against a backdrop of needing to put resources aside to manage the local government reorganisation process.

Local Government & Fiscal Outlook

6. The overall expectation of the economy is for weak growth, with the Government's budget received poorly by the markets in relation to tax changes. Overall, this means resources are very tight across the public sector and growth, where it exists, is heavily frontloaded. Moreover, even the Health sector is concerned by the tight financial settlement after the first couple of years.

7. The Bank of England base rate was cut from 5% to 4.75% and the Bank of England Governor has indicated that he expects 4 more interest rate reductions in 2025, although no cut happened in December. However, interest rates for borrowing in the local government market have actually been increasing over the last 2 months and non-PWLB rates could reach 6.5% by the financial year end. To avoid these rising interest costs, Uttlesford District Council (UDC) has recently locked in £30m for 5 years at 4.91% on Equal Instalment Basis, as it provides greater certainty.

8. Arlingclose who are the council's Treasury advisors have indicated that the long term interest rates are expected to reduce to between 3.5% and 4%, which represents a radical change from the super low interest rates of the previous decades.

9. The Government's budget has not been well received by the market and the growth in National Insurance contributions has been particularly poorly received by business. It has been widely reported in credible sources, such as the Financial Times, that hiring and new investment has reduced to a crawl. Interest rates are proving to be stickier at higher levels than expected. Therefore, the council has increased its contingency budget accordingly.

10. With the Ministry of Housing, Communities and Local Government, being one of the unprotected departments over the life of the parliament, local government is expecting another challenging period. However, there have been major changes announced to Government funding that disadvantage rural district councils over urban deprived ones. This has led to the abolition of the rural services delivery grant and seen UDC's funding reduce by almost £400k per annum from 2025/26.

11. Offsetting the reduction in funding in year 1 is the new Extended Producer Responsibility Grant of £1.453m, which is intended to drive higher recycling rates and lower levels of waste production through encouraging businesses to redesign their products and packaging. In theory, there are no conditions attached or new responsibilities but £200k has been put aside against potential changes to be implemented in 2026/27. In future years, it is assumed that the grant will continue but that there will be corresponding expenditure. This explains the growth in the budget in Environmental Services & Climate Change in 2026/27. However, like all assumptions this is open to change between the report production date and the Council's final budget position.

12. Due to the need to deliver on local government reorganisation, the council's MTFP is more provisional than typical. The savings plans will likely need pruning alongside other projects but due to the prudence factor already reducing the likelihood of savings delivery, the MTFP was still viable.

13. However, a budget funded by reserve was added to the council budget for 3 years for £250k per year. Transformation was reduced from £400k to £150k but that takes account of a £100k per year 2 year growth bid that was added for a Head of Transformation post. This will likely be re-focussed on delivering the necessary activities to merge the councils.

14. The £250k local government reorganisation budget will be placed under the control of the Chief Executive and will only be subject to approval for planned spend by the Section 151 Officer. The council will also create a new reserve called Local Government Reorganisation of £2m to allow the Chief Finance Officer to drawdown resources to meet requirements identified by the Chief Executive Officer. A regular update on spend will be provided by quarterly monitoring processes. However, Cabinet will be kept informed informally on a more regular basis. With costs coming through regularly, it is not possible to have all approved spend via Cabinet.

15. Resource allocations have largely been determined but not entirely. This means some grant allocation methodologies are still provisional and could change. Therefore, there is a £100k put aside in contingency to handle this risk amongst others.

16. It is important to recognise that despite the merger, local government including Uttlesford still needs to make savings to remain viable. This will mean that not only will the council prune its projects if it makes use of internal resources that can be redeployed, but it will likely need to reduce activities or stop them to keep resources available to fund core statutory services. Some savings plans will be reduced or revised once we have known partners in the future merged councils. Alternative options will need to be identified to offset any savings that are not realistic to deliver during the merger, as there will be insufficient resources to do complex ones, when the priority will be merging into the new authority.

17. Budget estimates beyond the first 2 annual budgets are more provisional than in prior years due to the likely merger taking place in 2027/28 and the need to plan for that merger. However, full and credible plans for the full five year MTPF period need to be in place although by necessity they will be more fluid. The lower tier (i.e.district) budgets will likely need to generate economy of scale savings to offset the breaking up of the upper tier responsibilities (i.e. social care) that are currently held by Essex County Council.

Assumptions in the Council Budget

18. The council has used Pixel, local government finance experts, to aid with projecting funding levels. However, even they have very heavily caveated the expected grant funding levels within the report. The council has incorporated the expected damping figures in the budget but with the Government still indicating that the business rates reset will take place in 2026/27 with a new funding formula, this is highly provisional.

19. As noted previously, the draft budget assumes an annual Council tax increase of 2.99%.

20. In Year 1 (2025/26), the council has made use of local knowledge to update local retained business rate figures and associated section 31 Grants.

However in future years, it has relied on Pixel estimates. The Council tax base is already set for approval at full council for 2025/26. The NNDR 1 form has been signed by the Section 151 Officer and is incorporated into the budget.

21. Treasury forecasts are provided by Arlingclose and the council adjusts for its existing debt and expected loans to Aspire (CRP) Limited to estimate future interest costs. It is worth noting that until the sale of Aspire (CRP) Limited is confirmed, the council will continue to incorporate the impact of retention within the council's Medium Term Financial Plan. It will also assume a delay in the timing of the Blueprint Uttlesford savings, assuming that an equivalent saving would be found but a year later. The council will continue to consider other investment property sales as and when they meet the criteria identified within the Commercial Strategy.

22. The table below notes the specific assumptions that the council is using for the life of the Medium Term Financial Plan where specific details are unknown. Despite the likely merger, the council will continue with the assumptions below in the budgets but during 2025/26, and it will seek to align assumptions and potentially even shadow budgets, where practicable.

Table 2: Key Assumptions

	2025/26	2026/27 onwards
Pay Increases	£700k GF, £120k HRA (approximately 5%)	2.50%
Non-Pay Increases (consumables, contract charges etc)	2.50%	2.50%
Fees & Charges	As per actual charging levels and activity level	2.50%
Housing Rents	2.70%	2.50%
Housing Benefit Subsidy Gap growth	£200k	£200k per year

23. As inflation has proved harder to bring down to the Government 2% target level, rather than having variable estimations for each year, the council has chosen to use 2.5% for Pay and Non-Pay items after 2025/26. This again reflects Uttlesford's conscious tradition of prudent budgeting, though will of course be adjusted accordingly in light of actual future inflation figures.

24. The council has put aside approximately £820k between the General Fund and HRA or approximately 5% of pay costs against the strong likelihood of a higher than typical pay award. This is in addition to the change in the National Insurance Contributions (NIC) for Employers.

25. The change in NICs had an overall negative impact on the General Fund of £300k and against the HRA of £37k. The Government originally said that it would fully refund local government but that has proven to be in an inaccurate statement. The council now expects it to cover only £131k in the General Fund and £18k in the HRA.

26. The Housing Benefit Subsidy gap (the amount paid out by the council compared to the amount refunded by Government) is growing by approximately £200k per year. This reflects the challenge across local government in relation to temporary accommodation and the requirement to house the homeless when the rents paid by the council to private sector landlords is less than the housing allowance levels. It is worth noting that the Preventing Homelessness Grant was redesigned to cover off this gap but even in Uttlesford, the subsidy gap has grown to £454k and the Grant is for £435k and needs to also cover the Homelessness budget.

27. Therefore, it is not surprising that many councils, particularly further south or in urban areas consider this issue to put their long term solvency at risk. That is not the case in Uttlesford but the pressures are growing inexorably. The original estimate was £100k but the growth since Quarter 1 has been significant and therefore, the budget was increased further. An additional £100k was put aside in the contingency against this risk.

Table 3: Medium Term Financial Plan (2025/26 through 2029/30)

SUMMARY	2025/26 £000	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s
Business Performance & People	343	370	394	419	444
Chief Executive	521	535	549	564	579
Corporate Services	1,563	1,603	1,643	1,684	1,727
Digital Innovation & Commercialisation	3,576	3,681	3,789	3,899	4,012
Environmental Services & Climate Change	3,146	4,567	4,688	4,812	4,939
Resources	3,148	3,434	3,721	4,011	4,303
Housing, Health & Communities	1,927	1,946	2,115	2,174	2,234
Planning	1,103	1,189	1,219	1,262	1,297
Services Net Expenditure	**15,327**	**17,325**	**18,118**	**18,825**	**19,535**
Investment Property	1,319	(248)	(1,161)	(1,298)	(1,234)
Corporate Items	2,892	3,352	3,796	4,427	5,021
Transformation	-	-	-	-	-
Local Government Reorg					
External Funding	(10,808)	(8,879)	(7,935)	(6,987)	(6,103)
Blueprint Uttlesford	(495)	(3,167)	(3,777)	(4,413)	(4,816)
Reserves		-	-	-	-
Council Tax Income	(7,381)	(7,694)	(8,020)	(8,357)	(8,709)
Total	**854**	**689**	**1,021**	**2,197**	**3,694**

Cumulative Impact on Reserves		**1,543**	**2,564**	**4,761**	**8,455**

28. As can be seen above, even after Blueprint Uttlesford, the council expects to run deficits through the life of the Medium Term Financial Plan. However, it is worth noting that this is driven by a very significant reduction in external funding that is in line with Government announcements.

29. Should the council complete on its decision to sell a commercial asset there will be a vastly different MTFP with no other differences that would move the bottom line from deficit to surplus for years 2025/26 through 2028/29. A revised version will be presented to Cabinet at the time of sale.

30. It is worth noting the council has simplified the budgeting for depreciation, reserves and internal recharges so that they are all sitting in the local budgets where appropriate. This will mean that the overall position would not change but where the depreciation and local government accounting reversals are would.

Table 4: 5-Year Rolling Medium Term Financial Target

Previous Gap	**7,351**
Savings to Date	(2,535)
New Savings Requirement	3,694
Revised Gap	**8,510**

31. The revised gap in 2029/30 is £8.510m. This reflects an additional year added to the MTFP each year and the dramatic drop in funding that is predicted due to the repositioning of funding within the sector away from rural districts. An example of this is the loss of New Homes Bonus from 2026/27, as the Government has announced it is being abolished.

32. This revised gap (higher by £1 million) from the Draft Budget is why tight financial management will still be required and difficult decisions on delivering savings and/or stopping activities will still need to be made.

Table 5: Earmarked Reserves

SUMMARY	**2025/26 £000**	**2026/27 £'000s**	**2027/28 £'000s**	**2028/29 £'000s**	**2029/30 £'000s**
Reserve B/fwd	**(23,311)**	**(21,347)**	**(20,183)**	**(19,047)**	**(17,247)**
To Reserves	(707)	(507)	(507)	(507)	(507)
From Reserves	1,817	982	622	110	107
Deficit/(Surplus)	854	689	1,021	2,197	3,694
Reserve C/fwd	**(21,347)**	**(20,183)**	**(19,047)**	**(17,247)**	**(13,953)**
If no savings made	**(20,852)**	**(16,521)**	**(11,608)**	**(5,395)**	**2,715**

33. The council now recognises higher General Fund and GF Earmarked reserves of £23m versus £20m previously after catching up with the Accounts. The Draft 2023/24 became available for inspection January 10th 2025. However, the rate of usage has increased significantly. As set out in paragraph 17, savings will still need to be made over the life of the MTFP, even if the savings are different from what was originally agreed.

Table 6: Investment Properties

	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s
Interest on loans to Aspire	(2,416)	(2,399)	(3,974)	(3,974)	(3,974)	(3,974)
Discount on Early Loan Repayment	0	(1,028)	(1,028)	(1,028)	(1,028)	(1,028)
Rents	(9,838)	(9,855)	(10,044)	(11,024)	(11,226)	(11,226)
Borrowing costs	11,017	10,926	11,055	11,055	11,055	11,055
Management Fees	280	280	287	295	302	309
MRP	2,768	2,895	2,955	3,015	3,074	3,130
To/(From) Reserves	132	500	500	500	500	500
	1,943	**1,319**	**(249)**	**(1,161)**	**(1,297)**	**(1,234)**

34. As reported in previous years, the asset portfolio made a net substantial contribution from 2017/18 to 2023/24 to the General Fund revenue budget until interest rates increased to their present levels.

35. Interest payable by Aspire (CRP) Limited for the loans to develop at Chesterford Research Park is projected to grow in 2026/27 with the ending of the interest free period for the build out of Building 800 and the solar farm.

36. The Discount is the benefit of repaying the private Phoenix loan early and receiving a £10m benefit charged to the ledger over 10 years. The net benefit to the authority over the life of the MTFP averages approximately £0.7m to the positive. There is approximately £0.3m net increase in the cost of borrowing as the private sector loan at 2.86% is significantly lower than interest rates at which the replacement loans were secured.

37. Rental increases are in line with the investment portfolio and the spreading of the interest free period over the course of the leases.

38. Borrowing costs are presumed to be stable from 2026/27 onwards, subject to the council retaining Aspire (CRP) Limited, as is assumed in the MTFP but which is currently going through a sale process.

39. Management fees are in line with estimated inflation.

40. Minimum Revenue Provision (MRP) is a local government charge. This would not be a charge in the private sector and investment properties would run a surplus of £1.576m in 2025/26 if it was not included. Indeed, this would also be the case over the life of the Medium Term Financial Plan and in past years. It is also important to recognise that as the charge reduces the underlying need to borrow, these resources are not lost to the authority.

41. Movement to reserve in 2024/25 of £1m is offset by £868k of drawdown, as previously noted to offset the interest free period and to continue the historic pattern of increasing reserves per year.

42. In 2025/26, the council would reduce its reserve contributions by £500k to reflect that the reserve was reaching an appropriate level to manage the level of risk attached to its commercial portfolio. It will review contributions to reserves in future years. In the bigger picture, as the council anticipates to use

its General Fund earmarked reserves to offset deficits, in practice, the overall net impact is presentational only.

Table 7: Corporate Items

	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s
Interest Payable	319	403	403	403	403	403
Capital Charges	(398)	866	867	867	866	866
MRP	1,090	1,436	1,645	1,590	1,721	1,815
Interest Receivable	(446)	(365)	(365)	(365)	(365)	(365)
Contingency	0	468	718	968	1,218	1,468
Demand/New Activity	0	0	0	250	500	750
Historic Pension Added Years	85	85	85	85	85	85
	650	**2,893**	**3,353**	**3,798**	**4,428**	**5,022**

43. The growth in interest payable reflects the current lack of new capital bids bar the Council's financial system replacement.

44. Capital charges historically reflected local government technical accounting capital reversals of capital charges to the General Fund. The other side was shown in the service expenditure budgets. Now both sides are shown together, leading to cleaner budgeting practices.

45. Minimum Revenue Provision (MRP) growth reflects the new finance system costs, which is charged over 5 years and other existing MRP charges (including PFI charges). MRP is under review and any revised position will be reflected in the final budget situation. However, due to the timing of the 2023/24 Accounts being produced, it was not possible to finalise this till relatively recently.

46. Contingency reflects the aforementioned £467k. However, in future years, the contingency is reduced to £250k. A more scientific approach will be taken once the council's mergers partners are agreed and a shared approach is agreed.

Table 8: Contingency Breakdown

Element	Reasoning	£'000s
Housing Benefit Subsidy Gap	The Council's Housing Subsidy Gap (income received versus costs the council pays to house homeless people in temporary accommodation) is growing faster then expected. There is a 50% probability that the growth will be £200k per year, thus resulting in a contingency of £100k. This is in part due to the Local Housing Allowance not keeping up with housing inflation and partly due to numbers growth	100
Interest Rate Risk	The council has £214m of General Fund borrowing. Interest rates are staying higher for longer than expected. Therefore, the council is putting aside a £267k against a 25% chance of a 0.5% higher interest rate risk. It already has reserves against these risks but the particular situation warrants additional caution.	267
Other	This is a £100k general contingency reflecting the level of	100

	uncertainty on a wide variety of government funding announcements and normal contractual risks.	
Total		**467**

47. Demand and new activity is a budget line that reflects an expectation that there will be new requirements upon the council. At £250k per year after 2026/27, it is low and potentially may need to increase. However, the council will not undertake new activities until the merger has been agreed except where statutorily required.

Transformation

48. The reserve usage of £150k per year matches the £150k reserve movement. It ends after 2026/27 and reflects a reduction in this activity area, due to local government reorganisation. However, there is a £96k budget adjustment to Business Performance & People reflecting a post paid for out of this budget area. Therefore, there was a reduction from £400k to £244k in practice not the £250k reduction it appears above.

Local Government Reorganisation

49. A new budget of £250k for three years funded by reserve is added to the council's budget to enable quicker decisions by the Chief Executive to deliver on the reorganisation. To maintain the council's well regarded financial controls, the approval for the budget would rest with the Section 151 Officer, as is statutorily intended but the recommender would be the Head of Paid Service. A £2m reserve is put aside to allow the Section 151 Officer to support the Chief Executive and CMT in delivering a successful merger alongside their partners**.**

Table 9: External Funding

Resources	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s
Renewable Disregard	(172)	(180)	(180)	(180)	(180)	(180)
NNDR	(4,914)	(4,800)	(2,529)	(2,701)	(2,881)	(3,067)
Revenue Support Grant (RSG)	0	0	(5,262)	(4,170)	(3,069)	(2,025)
Damping	(115)	(150)	545	569	596	623
NNDR Deficit/(Surplus)	(560)	(1,102)	0	0	0	0
Pool Benefits	(1,752)	(9)	0	0	0	0
New Homes Bonus	0	(132)	0	0	0	0
National Insurance Reimbursement	(2,548)	(2,060)	0	0	0	0
Funding Guarantee	(380)	0	0	0	0	0
Rural Services Delivery Grant	(11)	0	0	0	0	0
Services Grant	(1,073)	(1,121)	0	0	0	0
Extended Producer Responsibility	0	(1,453)	(1,453)	(1,453)	(1,453)	(1,453)
EPR (to Reserves)	0	200	0	0	0	0
Total	**(11,525)**	**(10,807)**	**(8,879)**	**(7,935)**	**(6,987)**	**(6,102)**

50. In 2025/26, it has been reported that the rural services delivery grant and services grant will be abolished. However, there is expected to be a growth in the New Homes Bonus before it is abolished the following year.

51. Reimbursement for the growth in National Insurance was announced, however the council is prudently not intending to assume it is ongoing. Moreover, it was £170k lower than required.

52. There would have been a £1.5m drop in Government Funding formula resources in 2025/26 but the Government announced that there would be no conditions attached to the new Extended Producer Responsibility Grant. The council nonetheless is putting £200k aside against likely one-off costs for new bins and other related transition costs. However, it is assumed that this will lead to additional costs in future years as these monies are expected to drive higher recycling rates and lower overall levels of waste.

53. It is worth noting that there has been a reduction in expected business rates between the draft budget and the final budget. However, movements up to £500k year per year between expected positions and actual positions are not uncommon. Such a large swing is a natural quirk of the current system for councils that have small requirements but generate large amounts of business rate growth. It is another reason why the council tends to budget prudently for business rates. Ultimately, the long run trend is very positive in terms of business rate creation and growth in occupied business rate space in the borough.

54. In many ways, business rates (NNDR), Revenue Support Grant (RSG) and Damping should be viewed as a collective whole. This is because all three form part of the Settlement Funding Assessment (SFA) for the council. The revenue support grant is expected to go negative in 2026/27 even though in all likelihood the resources would come off another line. The damping line reflects repeated central government statements across political administrations that funding could only reduce so much in one given year and this smooths out the reductions in funding.

55. One of the hidden losses in a revised approach to rebasing business rates is that any benefits are lost. This also means that any pooled benefits are also lost. It is conceivable that these might grow again if councils continued to be allowed to retain the benefits but the rebasing should significantly reduce them to a minimal level for several years. Therefore, Pixel has assumed no levy for future years and this means no benefits to share either.

56. The renewable disregard is another one of the elements of business rates. It relates to the ability for areas to host renewable energy projects and keep the additional business rates they generate. It is not a separate grant given by Government but an element of the council's business rates.

Table 10: Council Tax Income

	2025/26	2026/27	2027/28	2028/29	2029/30
B/fwd Band D		40,858.85	41,358.85	41,858.85	42,358.85
Estimated Growth		500.00	500.00	500.00	500.00
Band D equivalents	40,858.85	41,358.85	41,858.85	42,358.85	42,858.85

Collection Rate	98.60%	98.60%	98.60%	98.60%	98.60%
Band D Revised	40,286.83	40,779.83	41,272.83	41,765.83	42,258.83
Plus MOD	265.33	265.33	265.33	265.33	265.33
Council Tax Base	40,552.16	41,045.16	41,538.16	42,031.16	42,524.16
Band D	182.02	187.46	193.07	198.84	204.79
Council Tax Income	**(7,381,304)**	**(7,694,325)**	**(8,019,772)**	**(8,357,476)**	**(8,708,522)**

57. Council Tax Growth is expected to be 500 Band D equivalents per year over the life of the MTFP.

58. Collection rates are assumed to be 98.6%. The collection fund loss is £104k for Uttlesford.

59. As noted previously, the Band D equivalents are projected to grow by 2.99% per year. This leads to a growth of £1.653m in income over a 5 year period starting 2024/25 (£7.055m).

Table 11: Blueprint Uttlesford Delivery Plan

	Delivered to Date £'000s	**2025/26** £'000s	**2026/27** £'000s	**2027/28** £'000s	**2028/29** £'000s	**2029/30** £'000s
Total Target	2,535	2,790	754	465	807	0
Prudence Factor c/fwd to following year	0	(2,295)	(377)	(232)	(404)	0
Carried forward from previous year	0	0	2,295	377	232	404
Revised Target	**2,535**	**495**	**2,672**	**609**	**636**	**404**
Cumulative Years 2 to 5	0	495	3,167	3,777	4,413	4,816
Cumulative	**2,535**	**3,030**	**5,702**	**6,312**	**6,948**	**7,351**

60. Blueprint has already had £2.535m of successful savings built into the base budget including the average £0.7m net savings on the private Phoenix loan.

61. To be prudent, the council is assuming a partial delayed delivery of all future savings. Nonetheless, it is not writing them out with the delayed delivery being carried forward to the following year.

62. Moreover, the council will also need to bolster Blueprint with additional savings lines where needed, due to the local government reorganisation.

63. That the fiscal gap keeps increasing does not reflect negatively on the programme. Instead, it reflects an additional year of pressures and the need to keep investing in the transformation and modernisation of the organisation. Where the gap was bigger than expected this is a comment on the scale of reduction in resources as a result in the change of Government funding priorities.

64. The council will be reviewing the savings strategies over the coming months due to the need to deliver on local government reorganisation. This may mean replacement savings or relying reserves in the short term but not delivering cost reductions or income increases is not sustainable long term.

Growth Bids

65. These are growth bids and while built into the budget are provisional until approval in February full Council meeting unless they receive Cabinet approval or an equivalent.

66. Some of these bids are recommended in full to Cabinet, while others are recommended in terms of budgetary position till a fuller business case demonstrating the case in detail can be approved. Equally, some bids will be added to the budget but deferred until the merger partners are known.

Table 12: Revenue Growth Bid Breakdown

Department	Justification	£'000s
Business Performance & People	New Learning Management System costing £15k per annum to deliver the learning and development offer and support the workforce plan. This will wait until we know the partner outcome but the budgetary provision is recommended	15 GF
Business Performance & People	The Head of Transformation would support Local Government Reorganisation, Blueprint Uttlesford and other projects in the organisation. The individual would run a de facto Project Management Office (PMO). It is funded by the Transformation budget, which is in turn funded by reserve	96 GF
Chief Exec Service	This is to put in place an effective structure in Legal that prevents the continual need to hire agency. There is a budget in Resources of £240k that will part fund this alongside the Finance structure and the reduction in contract use in Planning. There is more work being undertaken and therefore this represents a budgetary provision and not the final business case to start hiring staff.	142 GF, 38 HRA
Chief Exec Service	There is a growth bid to increase the hours of one PA to support the Director of Environmental Services and Climate Change.	4 GF
Corporate Services	This bid simply recognises the 3 housing repairs customer service support that will transfer from UNSL. The cost of £124k is recharged 100% to the HRA	124 HRA
Digital Innovation & Commercialisation	The council has experienced a growth in cyber attacks and similar to the rest of the sector, this is recognised as a high risk area. Therefore, there is a bid for an extra staff member to ensure the council is protected. 2 year fixed post is agreed.	54 GF
Digital Innovation & Commercialisation	There is a bid for a data analyst to support the use of modern IT to transform delivery, better understand residents' needs and to support the design of AI usage in the council. This represents a budgetary provision and not a final approval to hire. The council wants to understand the situation of other councils in the proposed merger before continuing.	54 GF
Digital Innovation & Commercialisation	There is a bid to obtain a new FOI and Complaints system that meets the recently introduced statutory requirements. Awaiting LGR outcome before the system is procured.	21 GF
Digital Innovation & Commercialisation	This is a bid to regularise the usage of a staff member who works exclusively in Information Governance dealing with the increasing volumes of FOIs and recognising the importance of Data Protection. More information is required before this bid is recommended however, budgetary provision is recommended.	14 GF

Resources	The CIPFA review identified gaps in resourcing to meet basic statutory standards, particularly in the HRA and Capital and recognised that the work in creditors (and debtors) was bleeding into the time spent on accountancy support. The net increase in cost would be £80k but it is hoped that with the new system in place and modern processes embedded the additional creditors support would end in 2027/28.	80 GF, 20 HRA
Resources	The director post for Housing, Communities and Health was upgraded to Strategic Director to ensure a strong Housing focus in the council.	7 GF, 25 HRA
Housing, Health & Communities	This is the net change in the cost of the new Property Services and Tenant inclusion structures. The structure is recommended to meet the regulatory requirements upon Housing and to manage the Housing contract. Seven posts (Head of Housing & Communities, Housing Operations Manager, Resident Engagement & Social Value Manager and Additional Housing Officer, Tenant Engagement Assistant and Anti-Social Behaviour Case Officers are to be added or regraded and three empty posts are to be deleted. Unless the staff hiring is internal, two year fixed term posts are to be standard. Moreover, the Director of Property Services post will be evaluated in light of the local government reorganisation. Much of the Property Service budget for the client team represents costs hitherto included in the existing UNSL budget provision and therefore, little increase in cost.	256 (240 HRA 16 GF),
Planning	Recruit a new Trainee Planner to ensure a robust supply of qualified planning staff and reduce the long term ongoing use of agency.	39 GF
Planning	To employ a second Senior Conservation Officer in order to establish a more sustainable solution in handling statutory heritage consultations on planning applications. This is to prevent the use of agency or buying the resource from another council. 2 year fixed term is recommended	50 GF
Planning	To make permanent Principal Ecologist post to establish a more sustainable solution in handling statutory ecology work on planning applications. Currently, it is funded from grant and the need is ongoing. 2 year fixed term is recommended	65 GF
Total		**657 GF 447 HRA**

Appendix C: Medium Term Financial Strategy 2025/26 to 2029/30

General Fund Reserves

GENERAL FUND RESERVES	2023/24 £'000s	To Reserves £'000s	From Reserves £'000s	2024/25 £'000s	To Reserves £'000s	From Reserves £'000s	2025/26 £'000s	To Reserves £'000s	From Reserves £'000s	2026/27 £'000s	To Reserves £'000s	From Reserves £'000s	2027/28 £'000s	To Reserves £'000s	From Reserves £'000s	2028/29 £'000s	To Reserves £'000s	From Reserves £'000s	2029/30 £'000s
Working balance	**(2,000)**	(65)	0	**(2,065)**	0	0	**(2,065)**	0	0	**(2,065)**	0	0	**(2,065)**	0	0	**(2,065)**	0	0	**(2,065)**
Capital slippage	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
Business rates	**(486)**	(1,736)	0	**(2,222)**	0	242	**(1,980)**	0	0	**(1,980)**	0	0	**(1,980)**	0	0	**(1,980)**	0	0	**(1,980)**
Licensing	**(78)**	(8)	0	**(86)**	(4)	0	**(90)**	(4)	0	**(94)**	(4)	0	**(98)**	(4)	0	**(102)**	(4)	0	**(106)**
Leisure/Private Finance Initiative	**(1,006)**	0	100	**(906)**	0	105	**(801)**	0	105	**(696)**	0	105	**(591)**	0	105	**(486)**	0	105	**(381)**
Transformation	**(1,000)**	0	400	**(600)**	0	245	**(355)**	0	245	**(110)**	0	245	**135**	0	0	**135**	0	0	**135**
Commercial assets	**(4,892)**	(1,000)	868	**(5,024)**	(500)	0	**(5,524)**	(500)	0	**(6,024)**	(500)	0	**(6,524)**	(500)	0	**(7,024)**	(500)	0	**(7,524)**
Local Government Reorganisation	**0**	(2,750)		**(2,750)**		250	**(2,500)**		250	**(2,250)**		250	**(2,000)**			**(2,000)**			**(2,000)**
Medium Term Financial Strategy	**(11,022)**	(25)	3,642	**(7,405)**		1,154	**(6,251)**	0	941	**(5,310)**	0	526	**(4,784)**	0	2,197	**(2,587)**	0	3,694	**1,107**
Planning	**(694)**	0	22	**(672)**	0	512	**(160)**	0	0	**(160)**	0	0	**(160)**	0	0	**(160)**	0	0	**(160)**
Climate change	**(549)**	0	388	**(161)**	0	163	**2**	0	0	**2**	0	0	**2**	0	0	**2**	0	0	**2**
Economic development	**(299)**	0	184	**(115)**	0	65	**(50)**	0	0	**(50)**	0	0	**(50)**	0	0	**(50)**	0	0	**(50)**
Planning - Neighbourhood Planning	**(67)**	0	0	**(67)**	0	15	**(52)**	0	15	**(37)**	0	15	**(22)**	0	3	**(19)**	0	0	**(19)**
Sustainable communities	**(1,213)**	0	742	**(471)**	0	0	**(471)**	0	0	**(471)**	0	0	**(471)**	0	0	**(471)**	0	0	**(471)**
Voluntary sector	**(68)**	0	35	**(33)**	0	0	**(33)**	0	0	**(33)**	0	0	**(33)**	0	0	**(33)**	0	0	**(33)**
				0			**0**			**0**			**0**			**0**			**0**
Homelessness	**(338)**	0	105	**(233)**	0	113	**(120)**	0	113	**(7)**	0	0	**(7)**	0	0	**(7)**	0	0	**(7)**
Health and wellbeing	**(236)**	0	23	**(213)**	0	23	**(190)**	0	0	**(190)**	0	0	**(190)**	0	0	**(190)**	0	0	**(190)**
Other	**(363)**	(3)	78	**(288)**	(3)	84	**(207)**	(3)	2	**(208)**	(3)	2	**(209)**	(3)	2	**(210)**	(3)	2	**(211)**
Deficit/(Surplus)				**0**			**0**			**0**			**0**			**0**			**0**
Reserve C/fwd	**(24,311)**	**(5,587)**	**6,587**	**(23,311)**	**(507)**	**2,971**	**(20,847)**	**(507)**	**1,671**	**(19,683)**	**(507)**	**1,143**	**(19,047)**	**(507)**	**2,307**	**(17,247)**	**(507)**	**3,801**	**(13,953)**

HRA Reserves

HRA RESERVES	2023/24 £'000s	To Reserve £'000s	From Reserve £'000s	2024/25 £'000s	To Reserve £'000s	From Reserve £'000s	2025/26 £'000s	To Reserve £'000s	From Reserve £'000s	2026/27 £'000s	To Reserve £'000s	From Reserve £'000s	2027/28 £'000s	To Reserve £'000s	From Reserve £'000s	2028/29 £'000s	To Reserve £'000s	From Reserve £'000s	2029/30 £'000s
Working Balance	**(581)**	(61)	0	**(642)**	0	0	**(642)**	0	0	**(642)**	0	0	**(642)**	0	0	**(642)**	0	0	**(642)**
Revenue reserves	**(500)**	(193)	0	**(693)**	0	0	**(693)**	0	0	**(693)**	0	0	**(693)**	0	0	**(693)**	0	0	**(693)**
Transformation	**(580)**	(420)	750	**(250)**	0	250	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
Potentital projects	**(10)**	0	0	**(10)**	0	0	**(10)**	0	0	**(10)**	0	0	**(10)**	0	0	**(10)**	0	0	**(10)**
HRA capital slippage	**(708)**	0	2	**(706)**	0	0	**(706)**	0	0	**(706)**	0	0	**(706)**	0	0	**(706)**	0	0	**(706)**
Reserve C/fwd	**(2,379)**			**(2,301)**			**(2,051)**			**(2,051)**			**(2,051)**			**(2,051)**			**(2,051)**