

Committee: Cabinet

Date: Thursday, 13
February 2025

Title: Budget 2025/26

Portfolio Holder: Cllr Hargreaves, Portfolio Holder for Finance

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Key Decision: Yes

Summary

1. This is the budget recommended for 2025/26, as proposed for full council.
2. The budget has been consulted on from 20 December 2024 to 12 January 2025 and responses are attached.
3. This has been an unusually trying budgetary process due to events beyond our control. The draft settlement is particularly poor from Uttlesford's perspective as resources have shifted from rural districts to deprived and urban areas. There is a great deal of uncertainty in the economy (interest rates being higher for longer) and the resource allocations due to a change in Government are still not finalised.
4. Local Government reorganisation has meant there is a shift in resources from transformation and improvement in service delivery towards managing the future birth of new councils in Essex.
5. Nonetheless, the council can see that its Accounts are nearly caught up and the 2023/24 is already available for review, meaning the reserve position is known, which makes it easier to budget when the resources are largely known.
6. The new Housing Repairs and Maintenance contract for the next 5 years represents an opportunity to invest in the estate in a more structured manner. This takes place alongside the 30 Year HRA Business Plan that will be available in 2024/25 in time to support the building of new homes in the HRA in 2025/26.
7. The new financial system will come in place in July 2025 to strengthen financial controls and improve the ability of officers to advise members on important decisions.
8. Against this background, the scale of the pressures has grown since the Draft Budget and there has been a £573k increase in the deficit position for 2025/26. Nonetheless, the reserves subject to savings being delivered will support the council through the next 5 years.

Recommendations

- a) To make recommendations to Council on the budget
- b) To note the consultation on the budget

- c) To note the following recommendations for Cabinet to approve to council:
- i. To note and have regard to the section 25 report in Appendix A when considering the budget for 2025/26
 - ii. To approve the commercial strategy of 2025/26 detailed in Appendix B
 - iii. To note the key risks and assumptions set out at paragraph in the Medium Term Financial Strategy detailed in Appendix C
 - iv. To approve the Medium Term Financial Strategy 2025/26 to 2029/30 detailed in Appendix C
 - v. To agree the revenue growth bids as detailed in the Appendix C paragraph 65
 - vi. To approve the Treasury Management Strategy Statement 2025/26 detailed in Appendix D
 - vii. To approve Capital Strategy 2025/26 detailed in Appendix E
 - viii. To approve the Capital Programme 2025/26 to 2029/30 detailed in Appendix F
 - ix. To agree the capital growth bids as detailed in Appendix F
 - x. To delegate to the Section 151 Officer to increase the Capital budget to match the 30 Year HRA Programme once it is approved to enable the delivery of new homes in the HRA.
 - xi. To approve the Housing Revenue Account Budget as detailed in Appendix G
 - xii. To approve the General Fund budget as detailed in Appendix H
 - xiii. To note the Government's intent to provide forward certainty over the HRA rental increases allowed to be 1% above CPI, which is an increase of 2.7% for 2025/26. (Appendix G)
 - xiv. To recommend the 2.7% increase in social housing revenue rents within the Housing Revenue Account. The average increase in HRA weekly rents would be £3.52, leading to an average weekly rent payable by council tenants of £129.61. (Appendix G)
 - xv. To recommend the council tax increase of 2.99% council tax for 2025/26. The Band D equivalent (for Uttlesford's share of the bill) would be £182.02, which would be an increase of £5.28 (Appendix H).
 - xvi. To note the provisional council taxbase of 40,552.16 and the continued assumption of a maximum increase in the council tax of 2.99% over the lifetime of the Medium Term Financial Plan to 2029/30 (Appendix H)
 - xvii. To approve the Council Tax requirement for 2025/26 of £7.381m (Appendix H)
 - xviii. To approve the fees and charges schedule as set out in Appendix K
 - xix. To approve the Minimum Revenue Provision Statement 2025/26 detailed in Appendix L
 - xx. To resolve that the council tax premium of 100% shall be charged to properties that have been empty and furnished for one year or more, with effect from 1 April 2025 (Appendix M).

- xxi. That Council approves the implementation of a second homes council tax premium of 100% from 1 April 2025. (Appendix M)
- xxii. To approve the Ethical Investment Policy (Appendix N)
- xxiii. To note the change in the discretionary rates policy as detailed in the accompanying report on Discretionary Rates.

Financial Implications

9. The financial implications are noted within the report.

Background Papers

10. Not applicable

Communication/Consultation	N/A
Community Safety	N/A
Equalities	All individual savings proposals will receive separate EQIAs as and when the details are proposed. The final detailed EQIA will be included with the recommended Budget to Cabinet in February.
Health and Safety	N/A
Human Rights/Legal Implications	<p>The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial implications for the financial resources of the Council.</p> <p>Cabinet's terms of reference include recommending to Council the annual budget, including the capital and revenue budgets and the level of council tax and the council tax base.</p> <p>Council's terms of reference include approving or adopting the budget. Members are reminded of the duty to set a balanced budget and to maintain a prudent general fund and reserve balances.</p>
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

Appendix A - Section 25 Robustness of Estimates and Adequacy of Reserves
2025/26

Appendix B – Commercial Strategy 2025/26 to 2029/30

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

Appendix D – Treasury Management Strategy 2025/26

Appendix E – Capital Strategy 2025/26

Appendix F – Capital Programme 2025/26 to 2029/30

Appendix G – Housing Revenue Account Budget 2025/26

Appendix H – General Fund Budget and Council Tax 2025/26

Appendix I – Budget Consultation Report 2025/26

Appendix J – Council Tax Resolution 2025/26

Appendix K – Fees and Charges 2025/26

Appendix L - Minimum Revenue Provision Statement 2025/26

Appendix M – Second Home Council Tax Premium Report 2025/26

Appendix N – Ethical Investment Policy