

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

Title:	Appendix H: General Fund Budget and Council Tax 2025/26
Portfolio Holder:	Cllr Hargreaves, Portfolio Holder for Finance
Report Author:	Gareth Robinson, Interim Director of Finance, Revenues and Benefits

Summary

1. This report sets the revenue budget for the General Fund and the council tax requirement for 2025/26. This budget must be considered alongside the Medium Term Financial Strategy (Appendix C), and the report by the Strategic Director of Finance, Commercialisation and Corporate Services (Section 151 Officer) on the robustness of estimates and adequacy of reserves, made under section 25 of the Local Government Act 2003 (Appendix A).
2. The budget is based on the provisional local government finance settlement which was published by the government on 18 December 2024 and direction from the Cabinet on their priorities and council tax increases.
3. The proposed budget shows a council tax requirement of £7,381,304, which is equivalent to £182.02 for a band D property, representing a £5.28 (2.99%) increase on the 2024/25 amount.
4. The Council is required by statute to set a balanced budget in advance of each financial year. The forecast budget is expected to be £854,000 above available funding and the use of reserves will be required to balance the budget. This should be seen in the context of the current budgeted deficit for 2024/25 of £1million, demonstrating that the Council has already made significant steps to reduce the annual General Fund deficit through the Blueprint Uttlesford transformation programme. This is dealt with in more detail within the Council's Medium Term Financial Strategy (Appendix C).

Council Tax

5. The council taxbase is an estimate of the average number of households contributing to the council tax requirement over the coming year. This calculation takes into account those in receipt of discounts and exemptions, including under the Local Council Tax Support (LCTS) scheme. The taxbase calculation for 2025/26 is set out in the following table:

	2025/26	2024/25	% change
Band D equivalent properties before LCTS discounts	42,505.96	41,894.95	2.19%
Band D equivalent properties under LCTS scheme	(1,953.80)	(1,973.18)	0.98%
Net taxbase	40,552.16	39,921.77	2.35%
Band D council tax (£)	182.02	176.74	2.99%
Council tax yield (£)	7,381,304	7,055,774	5.40%

6. In accordance with Cabinet's guidance, an increase of £5.28 (2.99%) has been assumed for the purpose of preparing this report, giving a UDC band D council tax figure for 2025/26 of £182.02. Multiplied by the taxbase, this produces a council tax yield of £7,381,304 which balances against the council tax requirement as required by statute.

7. The Council is required to set council tax for other property bands by reference to the band D amount, as set out in the following table:

Council Tax Band	Proportion of Band D Charge	UDC Council Tax 25/26 £	UDC Council Tax 24/25 £	Increase £
A	6/9	121.35	117.83	3.52
B	7/9	141.57	137.46	4.11
C	8/9	161.80	157.10	4.70
D	9/9	182.02	176.74	5.28
E	11/9	222.47	216.02	6.45
F	13/9	262.92	255.29	7.63
G	15/9	303.37	294.57	8.80
H	18/9	364.04	353.48	10.56

General Fund Budget

8. A summary of the 2025/26 General Fund budget is shown in the table below:

	2024/25 £000	Adjustments £000	2025/26 £000
Business Performance & People	1,196	(852)	343
Chief Executive	353	167	521
Corporate Services	1,591	(28)	1,563
Digital Innovation & Commercialisation	3,051	525	3,576
Environmental Services & Climate Change	2,863	283	3,146
Resources	2,827	321	3,148
Housing, Health & Communities	2,399	(473)	1,927
Planning	1,249	(146)	1,103
Net Expenditure	15,529	(203)	15,327
Investment Property	1,944	(625)	1,319
Corporate Items	650	2,242	2,892
Transformation Costs	400	(400)	-
External Funding	(11,525)	717	(10,808)
Blueprint Uttlesford	-	(495)	(495)
Reserves	(232)	232	-
Council Tax Income	(7,056)	(326)	(7,381)
Total	(290)	1,142	854

9. The forecast budget for 2025/26 is expected to be £854,000 above available funding and the use of reserves will be required to balance the budget. It is proposed that this general deficit is funded from the Medium Term Financial Strategy reserve, and Medium Term Financial Strategy (Appendix C) sets out more detail around how the Council will use this reserve to manage forecast deficits over the medium term.

10. The details of the budget consultation are included in Appendix I

Fees and Charges

11. Each year, Fees and charges have been reviewed in line with the Council's Pricing and Concessions Policy and Cabinet decisions where relevant. A schedule of proposed fees and charges is included in Appendix K.

12. Where charging levels are statutory and outside the jurisdiction of the Council these have not been included.

13. It is requested that the Strategic Director of Finance, Commercialisation and Corporate Services (Section 151 Officer) is given delegated authority to set and/or amend the fees and charges in relation to services which are operating in competition with commercial providers, for example trade waste. This is to ensure that appropriate fees can be negotiated in the Council's best interests, particularly where there is a change in market conditions.

General Fund Reserves

14. The council's reserve position is detailed below:

SUMMARY	2025/26	2026/27	2027/28	2028/29	2029/30
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
--------------------	----------	----------	----------	---------	-------

Directorate Budgets

15. Each of the directorate budgets and the adjustments made between 2024/25 and 2025/26 are explained in the various sections below.

Business Performance & People (£851k reduction in budget)

	2024/25 £000	Adjustments £000	2025/26 £000
Employees	952	60	1,012
Premises	219	-	219
Supplies & Services	1,966	(574)	1,392
Capital Charges	826	(826)	-
Recharges	(87)	17	(70)
Gross Expenditure	3,876	(1,323)	2,553
Fees & Charges	(1,362)	(102)	(1,464)
Rents	(31)	-	(31)
Grants & Taxation	(1,005)	555	(450)
Reserves	(284)	19	(265)
Gross Income	(2,682)	472	(2,210)
Net Expenditure	1,194	(851)	343

16. There are 2 growth bids for Human Resources for £25k to support the workforce plan and a new learning management system.

17. There is a £95k bid for a senior manager to strengthen project management in the organisation. It is funded from reserves for 2 years.

18. The UKSPF funding will end in 2024/25, causing both expenditure and income budgets to be reduced by £535k.

19. The work to stimulate business growth following the pandemic is expected to end in 2024/25, with both expenditure and reserves budgets being reduced by £118k.

20. There is additional car parking income of £102k expected in 2025/26 that relates to income growth that has taken place above and beyond previous forecasts. There are no car park charge planned increases in 2025/26.

21. There is a technical adjustment for REFCUS (Revenue Expenditure Funded by Capital under statute) capital charges of £826k previously budgeted corporately now included in services. An example is Disabled Facilities Grants. This movement has no impact on the bottom line.

Chief Executive (£167k increase in budget)

	2024/25 Current £000	Adjustments £000	2025/26 £000
Employees	764	81	845
Premises	50	(28)	22
Supplies & Services	304	(105)	199
Capital Charges	-	-	-
Recharges	(95)	(53)	(148)
Gross Expenditure	1,023	(105)	918
Fees & Charges	(189)	(169)	(357)
Grants & Taxation	(481)	441	(40)
Gross Income	(670)	272	(397)
Net Expenditure	353	167	521

22. There is a £189k growth bid (£142k net of HRA recharges) to ensure a robust and efficient legal service. There is an according agency budget reduction in Resources to part fund this growth.

23. Budgets have been adjusted to reflect that only county elections are due to take place in 2025/26.

Corporate Services (£28k reduction in budget)

	2024/25 Current £000	Adjustments £000	2025/26 £000
Employees	1,327	153	1,480
Premises	56	(6)	49
Supplies & Services	396	14	410
Third Party	9	-	9
Capital Charges	-	-	-
Recharges	(147)	(193)	(340)
Gross Expenditure	1,641	(32)	1,608
Fees & Charges	(39)	4	(35)
Grants & Taxation	(12)	-	(12)
Reserves	1	-	1
Gross Income	(50)	4	(46)
Net Expenditure	1,591	(28)	1,562

24. There is a growth bid for additional housing repairs staff of £123k that transfer across from UNSL to support work in the HRA. The costs will be fully recharged, therefore there are no net costs to the General Fund.
25. There is an increase of £13k of member allowances expected in 2025/26.

Digital Innovation & Commercialisation (£527k increase in budget)

	2024/25 Current £000	Adjustments £000	2025/26 £000
Employees	1,523	230	1,753
Premises	1,208	(60)	1,148
Transport	5	1	6
Supplies & Services	1,741	323	2,063
Capital Charges	-	-	-
Recharges	(767)	43	(725)
Gross Expenditure	3,710	537	4,245
Fees & Charges	(43)	(3)	(47)
Rents	(614)	(7)	(621)
Gross Income	(657)	(10)	(668)
Net Expenditure	3,053	527	3,577

26. The budget growth includes 2 separate growth bids for new officer posts to support data analytics (£54k) and cyber security (£54k).
27. There is a £21k for a dedicated FOI and complaints system that meets statutory requirements.
28. There is unavoidable contractual expenditure growth of £212k for IT support added to the base budget.
29. There is a growth bid for additional staff resources of £14k for information governance to ensure resilience and improvement in information governance and data protection and to ensure that FOI performance continues to improve.
30. Postages and printing costs are higher than previously anticipated resulting in an increase of £36k ongoing costs. The council will need to examine whether these costs could be reduced if the council was able to operate more digitally.

Environmental Services & Climate Change (£284k increase in budget)

	2024/25 Current £000	Adjustments £000	2025/26 £000
Employees	3,996	120	4,116
Premises	26	8	34
Transport	467	85	552
Supplies & Services	2,131	67	2,197
Third Party	10	-	10
Capital Charges	-	-	-
Recharges	-	-	-
Gross Expenditure	6,630	280	6,909
Fees & Charges	(1,677)	(208)	(1,885)
Rents	(70)	-	(70)
Grants & Taxation	(1,631)	(13)	(1,645)
Reserves	(388)	225	(163)
Gross Income	(3,766)	4	(3,763)
Net Expenditure	2,864	284	3,146

31. One of the largest increases in costs is growth in the employer's national insurance increase and the changes in pay increments. (£108k)
32. Fuel costs are higher than anticipated resulting in an additional budgetary requirement of £81k.
33. Vehicle maintenance costs are higher than anticipated resulting in an increase of £188k.
34. The waste budget will be reviewed in detail in the new year especially in light of the extended producer responsibilities to identify if there are any efficiencies.
35. The climate change project was funded from reserves and is due to end in 2025/26. The budget was adjusted to reflect the reduced levels of expenditure (£15k employees, £210k supplies and services) with a matching reserve movement to offset it, resulting in a net nil impact to the ongoing base budget.
36. There are inflationary fee and charges increases of £35k expected above the 2024/25 position.
37. There is an expected inflationary increase of £13k in income from Essex County Council for waste management expected above the 2024/25 position.

Resources (£322k increase in budget)

	2024/25 Current £000	Adjustments £000	2025/26 £000
Employees	3,742	455	4,197
Premises	184	(96)	87
Transport	155	(54)	100
Supplies & Services	1,032	(82)	950
HB Exp	11,686	395	12,081
Third Party	47	-	47
Recharges	(1,529)	(109)	(1,638)
Gross Expenditure	15,317	509	15,824
Fees & Charges	(297)	(48)	(345)
HB Inc	(11,378)	(249)	(11,627)
Grants & Taxation	(679)	(25)	(705)
Reserves	(135)	135	-
Gross Income	(12,489)	(187)	(12,677)
Net Expenditure	2,828	322	3,147

38. The budget includes a provision of £700k for 2025/26 pay award (approximately 5%), offset by £387k underspend in 2024/25 due to a lower than expected 2024/25 pay award.
39. Financial Services has a growth bid for additional staff resources (£80k after HRA recharges) and to ensure the trainees had roles to move to post qualification, to add a new trainee post and an 18 month creditors post to deal with the volume of work in the area. Once the new system is in place, this latter resource is expected to be removed from the structure.
40. There is the upgrade of the Director post for Housing, Communities & Health to a strategic director role. It costs £147k but is mostly recharged to the HRA. This was previously charged directly to the HRA and therefore did not form part of the Resources budget.
41. There is an unavoidable increase of £71k in Insurance Premiums. This relates to properties £29k, transport £24k and other liability premiums of £18k.
42. The Housing Benefit Gap continues to grow. Current forecasts suggest an expected increase of £395k expenditure partially offset by reimbursement income of £249k.
43. There is a Council tax exceptional circumstances fund initiative costing £135k in expenditure and funded by reserve has been removed. There is no net impact.
44. There is an additional benefits allowance fees and charge income of £40k and NNDR cost of collection allowance of £8k expected above 2024/25.

Housing, Health & Communities (£473k reduction in budget)

	2024/25 Current £000	Adjustments £000	2025/26 £000
Employees	2,435	151	2,585
Premises	39	(12)	27
Transport	1	-	1
Supplies & Services	1,174	86	1,261
Third Party	136	(129)	7
Capital Charges	439	(439)	-
Recharges	185	20	205
Gross Expenditure	4,409	(323)	4,086
Fees & Charges	(1,102)	(98)	(1,200)
Rents	(295)	10	(285)
Grants & Taxation	(310)	(149)	(459)
Reserves	(302)	87	(215)
Gross Income	(2,009)	(150)	(2,159)
Net Expenditure	2,400	(473)	1,927

45. There is a growth bid for new posts costing with a net impact of £16k on the General Fund.
46. Temporary accommodation demand is expected to increase and an ongoing £50k of additional expenditure is included in 2025/26 along with additional reimbursement income.
47. The Homelessness Prevention Grant was under recorded in budgetary terms by £159k. The budget has been adjusted to reflect grant at current levels. Further information from central government has not been released at this stage, budgets will be further amended if the final settlement is materially different.
48. There are increased costs of £56k related to imported food that is offset by additional fees income.
49. There is a technical adjustment for REFCUS capital charges of £429k previously budgeted corporately now included in services.

Planning (£146k reduction in budget)

	2024/25 Current £000	Adjustments £000	2025/26 £000
Employees	2,895	431	3,326
Premises	4	2	5
Supplies & Services	1,048	(167)	881
Third Party	144	6	149
Recharges	141	(3)	138
Gross Expenditure	4,232	269	4,499
Fees & Charges	(2,221)	(543)	(2,764)
Grants & Taxation	-	(109)	(109)
Reserves	(762)	237	(525)
Gross Income	(2,983)	(415)	(3,398)
Net Expenditure	1,249	(146)	1,101

50. There is a growth bid for additional staff resources of £154k, supported by increased statutory fee income of £162k. Growth is expected to support ongoing heritage and ecology work and training and retention of qualified planning staff to reduce reliance on external agency suppliers, which is why the supplies and services budget reduces so significantly.
51. The building control roofing and conservatories project is expected to continue in 2025/26 generating income of £200k. Expenditure of £100k has been included to reflect additional resources to deliver the project.
52. Planning income is forecast to be £95k higher than anticipated and this is reflected in the base budget.