

Committee: Cabinet

Date:

Title: Draft Budget 2026/27

Tuesday 16
December 2025

Portfolio Holder: Cllr Hargreaves, Portfolio Holder for Finance and the Economy

Report Author: Lance Porteous, Director of Finance, Revenues and Benefits

Key decision: No

LPorteous@uttlesford.gov.uk

Summary

1. This is a draft budget for 2026/27 that will be consulted on from December 17th, 2025. This budget is provisional due to the draft Local Government Financial Settlement only being available from the week commencing December 15th, which is the week the draft budget is presented to Cabinet. Therefore, there is a great deal of uncertainty with the figures. This draft budget is, therefore, more high level and subject to change than will come forward to Cabinet and full Council in February.
2. This budget is for the first year of the new 5 year Medium Term Financial Plan (MTFP) – 2026/27 to 2030/31. It contains a suite of requested changes for approval, including Growth Bids, Savings/Additional Income offerings, Fees and Charges, Capital Bids and Housing Revenue Account (HRA) Rent and Service Charge increases.
3. Please note this report is written at a point in time. The Government has just announced its 2026/27 Budget, although time to react fully to that for the consultation has been limited. Some advice has come out from the Ministry of Housing, Communities and Local Government (MHCLG) and our MTFP Government Funding advisors, Pixel Financials, regarding the Fair Funding Review (FFR) but the Local Government Settlement won't be published until the week preceding Christmas, so this report for consultation only reflects our best advice on these aspects at this time.
4. There has been a concerted plan and effort right across the Council, led by Finance, to have a fully prepared budget for consultation. However, because this report is written at a point in time, some aspects of the Council's future business are still being developed. These include the Housing repairs programme, the Housing capital programme, the Council's response to new requirements relating to the Extended Producer Requirements (EPR), more potential investment into the Council's decarbonization project and a potential Planning business case requesting 2 part time posts to support the Council's net zero agenda. These issues had not been developed fully enough to be included in this consultation report but would be expected to form part of the 2026/27 Budget. There could well be other items that come to light between now and February which would also need incorporating into the Budget. If so, these will all be clearly documented.

Recommendations

5. To note the start of the Draft Budget consultation from December 17th 2025.
6. To note the provisional council taxbase of 41,402.4 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 2030/31. For 2026/27, the band D equivalent (for Uttlesford's share of the bill) would be £187.46, which would be an increase of £5.44.

7. To note the Government's intent to provide forward certainty over the HRA rental increases allowed to be 1% above the September 2025 CPI figure, which gives an increase of 4.8% for 2026/27. The average increase in HRA weekly rents would be £6.22, leading to an average weekly rent payable by council tenants of £135.83 for 2026/27.

Financial Implications

8. The financial implications are noted within the report.

Background Papers

9. Not applicable

Communication/Consultation	This draft budget is to be consulted on with Uttlesford District public from 17/12/25 for 6 weeks.
Community Safety	N/A
Equalities	All savings proposals will be built into the final EQHiA as and when the draft budget is finalised. The final detailed EQHiA 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	This report assumes annual increases for staff salaries and members of 3%.

Local Government & Fiscal Outlook

10. The overall expectation of the economy is for weak growth, with the market response to the Government Budget being mixed with significant volatility in stock indices and currency values, reflecting investor concerns over tax increases and Government borrowing. Overall, this means resources are very tight across the public sector and growth is marginal.
11. The Bank of England base interest rate has been reducing gradually throughout 2025/26 and at the time of writing sits at 4%. The Bank of England has indicated the intention for more interest rate reductions in 2026, but this will depend heavily on whether inflation begins to fall again (currently 3.6% - well above the target rate of 2%).
12. Arlingclose, the Council's Treasury advisors have indicated that the long-term interest rates are expected to level out at around 3.75%, which represents a radical change from the super low interest rates of recent decades.
13. With the Ministry of Housing, Communities and Local Government (MHCLG) being one of the unprotected departments over the life of the parliament, local government is expecting another challenging period. However, an anticipated multi-year settlement should help. Although, under Fair Funding Reform (FFR) there have been significant changes announced to Government funding that disadvantage rural district councils over urban deprived ones.
14. Offsetting any reduction in funding in year 1 of the MTFP is the second year of the Extended Producer Responsibility (EPR) Grant of £1.175m (down £278k from £1,453k in 2025/26), which is intended to drive higher recycling rates and lower levels of waste production through encouraging businesses to redesign their products and packaging. In 2025/26 £200k was put in a reserve against potential changes to be implemented in 2026/27. The council has given an undertaking to DEFRA that the whole of the EPR monies will be used on recycling, and consequently the grant has been fully allocated to the Waste Service. There is no certainty as yet of the total expenditure required of the Council regarding EPR, but if the required changes end up costing more than £200k, the Refuse and Recycling service may need to request an in-year growth bid. In future years, it is assumed that the EPR grant will continue at £1,175m.

Assumptions in the Council Budget

15. The Council has consulted with the Government as well as local government finance experts, to aid with projecting funding levels, including the impact of FFR. However, these figures will only be provisionally confirmed with the release of the Provisional LG Financial Settlement in mid-December, including the business rates reset (with its new funding formula) taking effect in 2026/27. This makes this draft budget highly provisional, until the Final LG Financial Settlement is issued in early February.
16. As noted previously, the draft budget assumes an annual council tax increase of 2.99%.
17. In Year 1 (2026/27), the Council has made use of local knowledge to update local retained business rate figures and associated section 31 Grants but in future years, it has relied on Pixel (financial advisors to the

Council) estimates. While the Council Tax Base is effectively set for the following year, once the new NNDR 1 form comes out, business rate figures may change.

18. 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.

19. The table below notes the specific assumptions that the council is using for the life of the Medium Term Financial Plan (MTFP) where specific details are unknown.

Table 1: Key Assumptions

	2026/27	2027/28 onwards
Pay Increases	£532k GF, £76k HRA (approximately 3.0%)	2.5%
Non-Pay Increases (consumables, contract charges etc)	3.8%	2.5%
Fees & Charges	As per actual charging levels and activity level	2.5%
Housing Rents (CPI + 1%)	4.8%	3.5%
Housing Benefit Subsidy Gap growth	£100k	£100k per year

20. As inflation has proved difficult to bring down to the Government 2% target level, rather than having variable estimations for each year, the council has chosen to use 3.8% for Non-Pay items for 2026/27 and 3.0% for Pay. Thereafter, we have assumed 2.5% for both Pay and Non-Pay items throughout the MTFP period. This will of course be adjusted in light of actual future inflation figures.

21. The Council has put aside £608k between the General Fund and HRA or approximately 3.0% of pay costs against the anticipated pay award.

22. The Housing Benefit gap (the amount paid out by the council compared to the amount refunded by Government) is growing by approximately £100k per year, as approved for the current MTFP. This reflects the challenge across local government in relation to temporary accommodation and the requirement to house the homelessness when the rents paid by the council to private sector landlords is less than the housing allowance levels. 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. To mitigate this, the homelessness prevention team are working hard to prevent the need for temporary accommodation, although the Government has restricted the amount of Homelessness Prevention grant that can in future be spent on staffing, resulting in a further growth bid for that team of £37k.

Table 2: Medium Term Financial Plan (2026/27 to 2030/31)

SUMMARY	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s	2030/31 £'000s
Business Performance & People	1,619	1,625	1,631	1,638	1,645
Chief Executive' Services	463	469	474	480	485
Corporate Services	1,543	1,553	1,565	1,576	1,588
Digital Innovation & Commercialisation	4,849	4,921	4,994	5,070	5,148
Environmental Services & Climate Change	2,464	2,473	2,482	2,492	2,501
Resources	2,744	2,057	2,070	2,083	2,097
Housing, Health & Communities	2,830	2,847	2,863	2,881	2,900
Planning	(379)	(383)	(388)	(675)	(736)
Services Net Expenditure	16,133	15,562	15,691	15,545	15,628
Financing and Investment Income & Expenditure	1,157	92	(245)	(1,088)	(1,221)
Corporate Items	3,162	3,973	4,024	5,131	5,213
Local Government Re-organisation	250	250	0	0	0
Blueprint Uttlesford – savings unapplied	0	(811)	(51)	(1,107)	(1,539)
Reserves	(2,524)	(1,150)	(251)	390	(1,135)
External Funding	(9,806)	(9,511)	(9,159)	(6,737)	(6,357)
Council Tax Income	(7,743)	(8,038)	(8,390)	(8,752)	(9,132)
Total Deficit/(Surplus)	629	367	1,619	3,382	1,457

Cumulative Reduction in Reserves (incl £854 2025/26 deficit b/fwd)	1,483	1,850	3,469	6,851	8,308
------------------------------------------------------------------------------	--------------	--------------	--------------	--------------	--------------

Cumulative Reduction in Reserves (Reported in February 2025)	1,567	2,517	4,657	8,308	N/A
------------------------------------------------------------------------	--------------	--------------	--------------	--------------	------------

23. As can be seen above, with the savings identified by Blueprint Uttlesford but yet to be allocated to services, the Council still expects to run deficits throughout the duration of the MTFP. This is actually a better position than was reported in the February 2025 MTFP and the October mid-year MTFP update. This is due to Blueprint savings identified and applied to services for 2026/27 plus indications of a temporarily more favorable outcome from the Government's Fair Funding Review transitional arrangements for the first 3 years. i.e. a drop in the funding floor of 5% of the Council's 2025/26 Core Spending Power (CSP), instead of previously indicated drop of 7%, so deficits are smaller for the first 3 years. However, after the third year, the FFR takes full effect and large deficits arise again. Blueprint hasn't identified sufficient savings for the fifth year as yet so total accumulated reserves are forecast to be depleted to the same extent as forecast in last year's MTFP. This will be after Essex's Local Government Re-organisation goes live, so will be an issue for the new unitary Council to consider prior to its vesting date. It should be noted that with additional growth bids still being submitted the final forecast reduction in Reserves will be higher than currently forecast.

24. Should the Council sell a commercial asset there will be a vastly different MTFP that would improve the bottom line from the year in which it sells. A revised version would be presented to Cabinet at the time of sale.

Table 3: 5-Year Rolling Medium Term Financial Target

	£'000s
Previous 5-Year Gap (now 4 years)	8,308
Blueprint Savings applied to Date	(2,257)
Further Blueprint Savings identified to Date	(1,969)
New Budget Pressures	512
Updated 4-Year Gap	6,851
New 5 th Year Requirement	1,539
Year 5 Blueprint Savings identified to Date	(82)
Revised Gap funded from Reserves	8,308

25. Table 3 shows the revised gap in 2030/31 is £8.308m. This reflects an additional year added to the MTFP and the dramatic drop in funding that come into effect in 2029/30 due to the Fair Funding Review. Blueprint savings identified so far are keeping the need to rely on Reserves within the values agreed by Council in February 2025 for the first 4 years as shown in Table 2. But it should be noted that the revised gap assumes Blueprint Uttlesford will identify and deliver a further £1.539 by year 5 to keep within the same total MTFP call on reserves of £8.308m.

Table 4: Investment Properties

	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s	2030/31 £'000s
Interest on loans to Aspire	(4,115)	(4,115)	(4,115)	(4,115)	(4,115)
Discount on Early Loan Repayment (no change)	(1,028)	(1,028)	(1,028)	(1,028)	(1,028)
Rents	(9,995)	(10,953)	(11,243)	(11,278)	(11,403)
Borrowing costs	10,435	10,435	10,435	10,435	10,435
Management Fees	291	298	306	313	321
MRP	3,334	3,443	3,557	3,675	3,798
To/(From) Reserves	500	500	500	500	500
Net Commercial Contribution to Council	(578)	(1,420)	(1,588)	(1,498)	(1,492)

26. The asset portfolio is forecasting a net substantial contribution to the General Fund revenue budget throughout the MTFP despite interest rates remaining relatively high.

27. It has been identified that interest payable by Aspire (CRP) Limited for the loans to develop at Chesterford Research Park is projected to grow throughout the MTFP period as set out in the Blueprint Uttlesford Programme. This will move from Blueprint to the Investment Properties budgets when this is more certain.

28. The Discount is the benefit of repaying the private Phoenix loan early in 2024/25 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.

29. Rental increases are in line with the investment portfolio and the spreading of the interest free periods on various loans to Aspire over the course of the leases.

30. Borrowing costs are in line with the investment and capital programmes set

out in appendices C and D, subject to the council retaining Aspire (CRP) Limited, as is assumed in the MTFP, although it is currently up for sale.

31. Management fees are in line with estimated inflation.

32. 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 £3.912m in 2026/27 if it was not included. However, it is also important to recognise that although this increases throughout the MTFP, it reduces the underlying need to borrow, so these resources are not lost to the authority.

33. In 2026/27, the council will continue its reserve contribution of £500k per year to ensure the reserve maintains an appropriate level to manage the level of risk attached to its commercial portfolio and cover rent/interest free periods. 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 5: Corporate Items

	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s	2030/31 £'000s
Long Term Interest Payable	403	403	403	403	403
Capital Charges	(2,711)	(2,711)	(2,711)	(2,711)	(2,711)
MRP	771	496	470	422	296
Interest Receivable	(329)	(329)	(329)	(329)	(329)
Contingency	984	984	984	984	984
Demand/New Activity	500	500	500	500	500
Added Years	85	85	85	85	85
	(297)	(572)	(598)	(646)	(772)

34. Long-term interest payable is stable because they are long-term loans. If it was short term debt, the interest would show as in decline as real borrowing need is reducing (see paragraph 32 above), however the annual interest would start from a much higher value.

35. Capital charges reflect capital reversals of capital charges to the General Fund. The other side is shown in the service expenditure budgets.

36. The minimum revenue provision (MRP) is the allowance made to ensure there is sufficient revenue budget to repay debt on its assets. This includes the new finance system costs, which is charged over 5 years and other existing MRP charges. This diminishes as financing for these items is paid off.

37. Contingency reflects the need for the Council to have a budget available for high risk and unexpected expenditure areas. This includes Homelessness, Capital Financing and General expenditure.

38. Demand and new activity is a budget line that reflects an expectation that there could well be new unfunded financial requirements placed upon the Council.

Local Government Re-organisation (LGR)

39. This is the second of 3 years of a £250k central budget for LGR. This is to help fund the costs in preparation for the new unitary (currently undetermined) council Uttlesford will be joining 1 April 2028. There is also a reserve of £2m set aside for the larger yet unknown costs of LGR as we draw closer to vesting date.

Table 6: External Funding

Resources	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s	2030/31 £'000s
Renewable Disregard	(172)	(170)	(170)	(170)	(170)
Retained NNDR	(4,712)	(4,801)	(4,863)	(4,505)	(4,151)
Revenue Support Grant (RSG)	(4,966)	(4,540)	(4,126)	(2,062)	(2,036)
NNDR Deficit/(Surplus)	All now replaced by RSG				
Pool Benefits					
New Homes Bonus					
National Insurance Reimbursement					
Funding Guarantee					
Rural Services Delivery Grant					
Services Grant					
Extended Producer Responsibility (EPR)	Grant now fully allocated to service.				
EPR Reserve					
Total	(9,850)	(9,511)	(9,159)	(6,737)	(6,357)

40. The above figures have been modeled after recent indications by MHCLG regarding the Fair Funding Review and the expected Local Government Settlement. The good news is that for the next 3 years the RSG and Retained NNDR allocations are expected to be a little better than indicated by the Government back in July, prior to public consultation on FFR, due to an expected loss of only 5% of Core Spending Power (CSP) instead of a loss of 7% as was in the original consultation. This also looks slightly better than prudently reported in February 2025's MTFP. However, a large drop in funding is forecast for years 4 and 5, when it is expected the Council will lose its funding floor. This will challenge the Council's sustainability considerably from that point on. Note: this will be after Local Government Re-organisation for Essex takes place and will impact the new unitary Council Uttlesford becomes part of.
41. The Department for Environment, Food and Rural Affairs (DEFRA) has stipulated that from 2026/27 the Extended Producer Responsibility (EPR) Grant must be allocated to the Refuse and Recycling service to demonstrate it is being utilised for those activities, so is not shown as central funding. The £1.175m allocation to Uttlesford for 2026/27 is £278k less than the 2025/26 grant and is forecast to continue throughout the MTFP. However, the Government has not confirmed this full amount will be maintained, so is a risk for years beyond 2026/27.
42. In many ways, Business Rates (NNDR) and Revenue Support Grant (RSG) should be viewed as a collective whole. This is because both form part of the Settlement Funding Assessment (SFA) for the Council. The RSG is expected to go negative in 2026/27 even though, in all likelihood, the resources would come off another line.
43. One of the hidden losses in a revised approach to rebasing Business Rates is that significant benefits are lost. This also means that much of the pooled benefits are also lost. The Essex Pool has indicated it will continue into 2026/27 subject to the provisional settlement announcement. Any authority is permitted to leave the pool without prejudice up until 28 days after the provision settlement announcement.
44. The Renewable Disregard is one of the elements of Business Rates where the

Council has exemption to retain 100% of the rates from businesses within its borders generating renewable energy and is expected to continue.

Table 7: Council Tax Income

	2026/27	2027/28	2028/29	2029/30	2030/31
B/fwd Band D		41,721.17	41,956.29	42,524.29	43,074.29
Estimated Growth		235.00	568.00	550.00	570.00
Band D equivalents	41,721.17	41,956.29	42,524.29	43,074.29	43,644.29
Collection Rate	98.60%	98.60%	98.60%	98.60%	98.60%
Band D Revised	41,137.07	41,368.91	41,928.95	42,471.25	43,033.27
Plus MOD	265.33	265.33	265.33	265.33	265.33
Council Tax Base	41,402.4	41,634.24	42,194.28	42,736.58	43,298.60
Band D	187.46	193.07	198.84	204.79	210.91
Council Tax Income	(7,743,393)	(8,038,219)	(8,389,922)	(8,751,836)	(9,132,050)

45. Council Tax Growth is expected to be around 500 Band D equivalents per year over the life of the MTFP.
46. Collection rate has been steady in recent years so is assumed to remain at 98.6% throughout the MTFP. This equates to a collection loss of £108.9k for Uttlesford in 2026/27, although is a very good collection rate.
47. As noted previously, the Band D equivalent Council Tax for Uttlesford District Council is projected to grow by the current maximum (before requiring a referendum) of 2.99% per year. This leads to a growth of £1.405m in income over the 5 year period (taking into account the growth as well as 2.99% per year) after 2025/26 (£7.381m). The Government is being lobbied to allow District Councils to increase by 4.99% per annum but has not indicated it will agree to this.

Table 8: Blueprint Uttlesford Delivery Plan

	Delivered to Date £'000s	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s	2030/31 £'000s
Total Target	2,535	1,762	811	51	1,107	1,539
Carried forward from previous year	0	495	0	0	0	0
Revised Target	2,535	2,257	0	51	1,107	1,539
Further Benefits Identified		2,257	811	51	1,107	82
Yet to be Identified		0	0	0	0	1,457
Savings applied to services		(2,257)	0	0	0	0
Benefits yet to be Applied		0	811	51	1,107	1,539

48. Blueprint has already delivered £2.535m of successful savings built into the base budget. Blueprint has a further target of £5.765m across this MTFP

period of which £2.257m has been applied to the 2026/27 budget. £2.051m further possible savings have been identified which leaves £1.457m still to be identified by 31 March 2031.

Table 9: Impact on Earmarked Reserve Balances

SUMMARY	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s	2030/31 £'000s
Reserve B/fwd	(23,544)	(22,915)	(22,548)	(20,929)	(17,547)
To Reserves	(503)	(503)	(501)	(501)	(505)
From Reserves	1,132	870	2,120	3,883	1,962
Deficit/(Surplus)	629	367	1,619	3,382	1,457
Reserve C/fwd	(22,915)	(22,548)	(20,929)	(17,547)	(16,090)

49. As can be seen above, assuming the full delivery of the Uttlesford Blueprint savings, the reserves will reduce downwards by £8.308m but are still in surplus by the end of the MTFP.

Growth Bids

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

Revenue Growth Bid Breakdown

Please see Appendix A for details.

Table 11: General Fund Budget Breakdown (2025/26 to 2026/27)

	2025/26 £000	Adjustments £000	2026/27 £000
Business Performance & People	343	497	840
Chief Executive	521	(59)	462
Corporate Services	1,563	(21)	1,542
Digital Innovation & Commercialisation	3,666	528	4,194
Environmental Services & Climate Change	3,256	(1,154)	2,102
Resources	3,257	(402)	2,855
Housing, Health & Communities	1,973	516	2,489
Planning	1,103	(1,497)	(394)
Net Service Expenditure	15,682	(1,592)	14,090
Investment Property	1,319	(1,897)	(578)
Corporate Items	2,542	2,124	4,666
External Funding	(10,813)	1,007	(9,806)
Blueprint Uttlesford unallocated	(495)	495	0
Council Tax Income	(7,381)	(326)	(7,743)
Total	854	(225)	629

This Table is different from Table 2 as it includes the statutory adjustment for depreciation and also includes reserve contributions funding specific expenditure such as project management and PFI.

51. As can be seen above, the 2025/26 budget has a deficit figure on the General Fund. This is because of FFR and increased Corporate Items offset by Blueprint savings assigned to service expenditure which has greatly reduced this deficit.

52. It is assumed that overall that any deficit will be funded by reserve. However, until the Council has seen the settlement w/c 15 December, the deficits are shown as in the MTFP.

53. The major movements are set out below:

Business Performance & People (£497k increase in budget)

54. There are 2 savings proposals totaling £50k. These are reference no's 1 and 3 in Appendix B.

55. Car Parking income has moved to Planning.

Chief Executive Services (£59k decrease in budget)

56. There are 2 savings proposals totaling £67k. These are reference no's 7 and 8 in Appendix B.

57. The remaining difference is 3.8% service inflation.

Corporate Services (£21k decrease in budget)

58. There are 8 savings proposals totaling £91k. These are reference no's 10 to 17 in Appendix B.

59. The offsetting budget changes are Directorate movements from Corporate Items to Digital Innovation and Commercialisation.

Digital Innovation & Commercialisation (£528k increase in budget)

60. There are 6 savings proposals totaling £207k. These are reference no's 19 to 24 in Appendix B.

61. An additional Blueprint savings of £16k extra rent income has been identified.

62. The budget growth includes 2 separate growth bids totaling £269k. These are reference no's 4 and 5 in Appendix A.

63. Salary increments across the service amount to £39k and operation inflation of 3.8% £71k.

64. Depot washdown cost has now moved to Environmental Services.

Environmental Services & Climate Change (Decrease of £1,154k)

65. There are 4 savings proposals totaling £210k. These are reference no's 31, 32, 36 and 37 in Appendix B.

66. An additional Blueprint savings of £60k for raising annual garden waste bin collection subscriptions from £65 to £70 has been identified. An increase in this charge was planned in the MTFP last year.

67. The budget growth includes 2 separate growth bids totaling £221k. These are reference no's 3 and 6 in Appendix A

68. One of the largest increases in costs is growth in the switch from conventional to greener fuels. The Waste service will spend an additional £152k this year on this adaptation.

69. Depot washdown cost has now moved from Digital & Commercialisation.

Resources (Decrease of £402k)

70. There are 3 savings proposals totaling £32k. These are reference no's 50 and 54 in Appendix B. However, there is an additional proposal to offer £700k if this can be raised as extra NNDR income for the Council from 2027/28 onwards. This is reference no 51.
71. Additional Blueprint savings of £575k has been identified by introducing a salary vacancy factor of £444k, being 2.5% of total salary costs, allowing for the fact that when staff leave the organisation there is often a period of time before a replacement starts. Also, the 2025/26 pay award came in lower than budget, so that £131k savings is taken here.
72. The budget includes a provision of £532k for 2026/27 general fund pay award (approximately 3%).

Housing, Health & Communities (Increase of £516k)

73. There are 2 savings proposals totaling £17k. These are reference no's 39 and 41 in Appendix B.
74. The budget growth includes 2 separate growth bids totaling £66k. These are reference no's 7 and 8 in Appendix A
75. The Homelessness Prevention Grant has reduced by £196k. The budget has been adjusted to reflect grant at current levels. This has been offset by contingency built into the MTFP for this last year.

Planning (reduction of £1,497k budget)

76. There are 5 savings proposals totaling £582k. These are reference no's 44 to 48 in Appendix B.
77. Car Parking has moved to this directorate from Business Performance. A Blueprint savings of £345k for raising car parking fees by an average of 23% is being recommended. The car parks are also being invested in via the capital programme to the tune of £223k in 2026/27 with a further £136k the following year.
78. The budget growth includes 3 separate growth bids totaling £158k. These are reference no's 1, 2 and 9 in Appendix A
79. There is a growth bid expected for part time staff to contribute towards the Council's net zero agenda that is not complete yet but is likely to be included in the February Budget report.
80. Planning income is forecast to be £65k higher than anticipated and this is reflected in the base budget.

Investment Property (Decrease in £1,897k)

81. Interest receivable is expected to increase by £1.75m from 2026/27 due to Loans to Aspire ending their interest free period.
82. Rental Income is also expected to increase by £140k as new properties become available to commercial tenants and rent rises for current tenants.

Corporate Items (Increase of £2,124k)

83. Reduction of Blueprint Target due to savings allocated to services.
84. There is also a need for an annual review of the Council's contingency budgets for prudence. This is due to uncertainty around FFR, LGR and EPR along with operational risks. These are all part of this Government's change agenda and massive in their significance for all local authorities, but how they will play out is still largely unknown. Although the total contingency is down £24k on the 2026/27 budget, it is up in percentage terms of Net Service Expenditure from 8% to 8.8%.

External Funding and Council Tax (Decrease of 645k).

85. External Funding (NNDR and RSG) is expected to decrease by £1,007k although Council Tax will bring in an additional c.£362k.
86. The proposal is to increase Council Tax by the maximum of 2.99% without invoking a local referendum. This would be an increase of £5.44 for a band D equivalent to £187.46 and (along with property growth) increase Council Tax for the Council by £362k to £7.743m.

Housing Revenue Account (HRA) Budget

87. The Housing Repairs Service is currently being restructured so 2026/27 HRA Budget is not in a position to be consulted on at this stage, except to propose that the weekly rent and service charges will be increased by the maximum allowable amount of October's CPI + 1%, i.e. 4.8%, from 1 April 2026.

Capital Programme – General Fund

88. The summary of the existing Capital Programme is set out below. It contains the new Capital Bids and the updated asset management plan. As all instances, it is worth noting that they are all subject to approval at full council.

Table 15: Capital Programme – General Fund

CAPITAL EXPENDITURE					
General Fund	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget
	£'000s	£'000s	£'000s	£'000s	£'000
Digital Innovation & Commercialisation	668	635	350	295	245
Environmental Services & Climate Change	1,992	1,767	1,022	940	587
Planning	0	0	0	0	0
Housing, Health & Communities	25	0	0	0	0
Resources	0	0	0	0	0
Investments	12,600	23,000	15,500	8,000	5,500
Business Performance & People	0	0	0	0	0
Total	15,285	25,402	16,872	9,235	6,332

89. Further breakdown of the capital programme is in Appendix C.

Capital Programme – HRA

90. Housing are currently restructuring their capital programme so it is not in a position to be consulted on at this stage.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
The risk of not setting a prudent, affordable and sustainable budget & MTFP is high in the current local government environment.	3	4	Ensure that the budget has adequate contingencies and that the council maintains sufficient reserves to be able to manage the risks. Be prudent in assumptions.
Not being able to set a robust, sustainable HRA budget & HRA MTFP.	3	4	Taskforce assembled to lay out new repairs and capital delivery structure, along with priorities to quantify a robust budget.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

APPENDIX A - GROWTH BIDS SUMMARY 2026/27

Ref	Description	Annual Amount 2026/27	Annual Amount 2027/28	Annual Amount 2028/29	Annual Amount 2029/30	Annual Amount 2030/31	Reasons	Implications
001	Make the current fixed term Planning Enforcement Officer (FT) permanent	£ 51,690	£ 51,690	£ 51,690	£ 51,690	£ 51,690	The team continues to meet all of its response rate targets, which can only be achieved through a properly resourced team. The introduction of the additional fixed term contract officer in 2022, has proven to be invaluable in allowing the effective operations of the team, and reduction of cases for the Team Leader. The team totally non-reliant on agency staff. The level of staffing also means that the team can be robust, agile and sustainable in its response to a very expectant public.	Should the post not be granted there will be concerns over the sustained delivery of the service moving forward. It is not foreseen that the pressures would be any smaller going forward as such for the robustness for the team, especially as we head into LGR
	Total Budget Pressure	£ 51,690	£ 51,690	£ 51,690	£ 51,690	£ 51,690		
002	New 2 year Fixed Term Senior Planning Officer (Pre Planning Agreements)	£ 60,940	£ 60,940	£ -	£ -	£ -	Currently employing expensive agency staff for handle PPA's. The team can demonstrate that PPA income is sustainable for the following two years 2026-28. On that basis it is considered that by employing an officer directly this would be more cost effective and more sustainable.	Not doing this would result in the PPA service being stretched to the point of non-delivery and failure to secure the necessary PPAs. In addition to reduced income in will result in the lack of appropriate engagement with developers and improved placemaking that was integral to UDC coming out of designation. The difference of costs between agency and staff are so vast, the benefits could be seen in Year 1.
	Total Budget Pressure	£ 60,940	£ 60,940	£ -	£ -	£ -		
003	Zero Carbon Community Grants / including Community Energy and Sustainable Uttlesford Project delivery	£ 60,000	£ 60,000	£ -	£ -	£ -	From 1st April 2026 there is no new funding identified to continue to progress delivery of Climate Change and Biodiversity priority activities and projects within the UDC Climate Crisis Strategy and Action Plan. Without a growth budget being made available officers will be limited in the activities and projects they can undertake to progress actions such as decarbonising council operations, clean energy/ solar projects; embedding sustainable ways of working; and activities to support community engagement and action on climate change.	Grant funding ceases after 2026 work ends. To continue to fund these climate and similar schemes would require other funding, including either Expenditure Producer Responsibility or section 106 funds, or a mix of the two.
	UDC Decarbonisation Plan (Estate and Fleet) feasibility	£ 50,000	£ -	£ -	£ -	£ -		
	UDC Carbon Literacy /Climate Awareness for Staff & Members	£ 5,000	£ 5,000	£ -	£ -	£ -		
	Biodiversity projects	£ 5,000	£ 5,000	£ -	£ -	£ -		
	APSE /CEE Memberships	£ 3,000	£ 3,000	£ -	£ -	£ -		
	Community Events and Publicity	£ 5,000	£ 3,000	£ -	£ -	£ -		
	Shared Bike Hire Schemes	£ 20,000	£ 20,000	£ -	£ -	£ -		
	Pollution Awareness Projects Schools	£ 25,000	£ 25,000	£ -	£ -	£ -		
	Car Scheme	£ 20,000	£ 20,000	£ -	£ -	£ -		
	Total Budget Pressure	£ 193,000	£ 141,000	£ -	£ -	£ -		
004	Bottomline Technologies (as a result of move to TechOne)	£ 15,900	£ 15,900	£ 15,900	£ 15,900	£ 15,900	Contracts up for renewal in 2026/27 that are expected to be higher than inflation. This is a phenomenon being experienced by other local authorities facing LGR also.	These are essential pieces of software that must be renewed so creates a budget pressure.
	Pentana (Ideagen)	£ 7,900	£ 7,900	£ 7,900	£ 7,900	£ 7,900		
	LEAP Legal Software UK	£ 14,900	£ 14,900	£ 14,900	£ 14,900	£ 14,900		
	IDOX Software Limited	£ 19,000	£ 19,000	£ 19,000	£ 19,000	£ 19,000		
	NEC	£ 19,600	£ 19,600	£ 19,600	£ 19,600	£ 19,600		
	Insight Direct (i-Trent)	£ 51,600	£ 19,600	£ 19,600	£ 19,600	£ 19,600		
	Microsoft	£ 34,400	£ 34,400	£ 34,400	£ 34,400	£ 34,400		
	VMWare	£ 9,300	£ 9,300	£ 9,300	£ 9,300	£ 9,300		
	Silktide	£ 1,100	£ 1,100	£ 1,100	£ 1,100	£ 1,100		
	Technology One UK Limited	£ 77,600	£ 44,000	£ 44,000	£ 44,000	£ 44,000		
	Total Budget Pressure	£ 251,300	£ 185,700	£ 185,700	£ 185,700	£ 185,700		

Ref	Description	Annual Amount 2026/27	Annual Amount 2027/28	Annual Amount 2028/29	Annual Amount 2029/30	Annual Amount 2030/31	Reasons	Implications
005	New contracts for legionella testing, emergency lighting, alarms systems, new lease setup costs, security systems.	£ 17,500	£ 17,500	£ 17,500	£ 17,500	£ 17,500	Contracts up for renewal in 2026/27 that are expected to be higher than inflation.	These are essential property services that must be renewed so creates a budget pressure.
	Total Budget Pressure	£ 17,500	£ 17,500	£ 17,500	£ 17,500	£ 17,500		
006	Grounds Maintenance, External contracts - Tree works	£ 28,200	£ 28,200	£ 28,200	£ 28,200	£ 28,200	The average of budget overspends on contracts for tree works over the past 3 years.	If the works is not done greater damage caused by trees may occur, costing the council more.
	Total Budget Pressure	£ 28,200	£ 28,200	£ 28,200	£ 28,200	£ 28,200		
007	Emergency Planning Post	£ 29,090	£ 29,090	£ 29,090	£ 29,090	£ 29,090	increase in hours from 18.5 to 37 hrs agreed by CMT.	Part of the corporate objective to strengthen business continuity and emergency planning.
	Total Budget Pressure	£ 29,090	£ 29,090	£ 29,090	£ 29,090	£ 29,090		
008	Homeless Prevention	521,900	417,845	417,845	417,845	417,845	Governement reducing amount of grant available to support	Otherwise would need to pay some of grant back.
	Existing budgets and grant	-£ 484,626	-£ 380,571	-£ 380,571	-£ 380,571	-£ 380,571		
	Total Budget Pressure	£ 37,274	£ 37,274	£ 37,274	£ 37,274	£ 37,274		
009	CIL Officer	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	Recruit a permanent full time CIL Officer to administer the new CIL Scheme as agreed at Cabinet	
	Total Budget Pressure	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000		
010	Additional Staffing costs at Mechanical Sweeper Grade 5	£ -	£ -	£ -	£ -	£ -	To double the capacity of the large street sweeper fleet	Complaints could increase if not addressed.
	Additional running costs of additional large sweeper	£ -	£ -	£ -	£ -	£ -		
	Total Street Cleansing Growth	£ -	£ -	£ -	£ -	£ -		
	Funded from:	£ -	£ -	£ -	£ -	£ -		
	Total Budget Pressure	£ -	£ -	£ -	£ -	£ -		
	Total Growth Bids	£ 1,198,620	£ 976,965	£ 775,025	£ 775,025	£ 775,025		
	Funded from:	-£ 484,626	-£ 380,571	-£ 380,571	-£ 380,571	-£ 380,571		
	Total Budget Pressure	£ 713,994	£ 596,394	£ 394,454	£ 394,454	£ 394,454		

APPENDIX B - UDC PROPOSED 5% REVENUE SAVINGS 2026/27

CMTresponsible Director	Ref	Service	Savings Target £	Possible saving identified £	Description	Implications
Business Performance & People	1	Contract, Performance And Risk savings	9,846	40,000	Reducing the post of Business Information and Performance Analyst which has been vacant for a period of time and is not required	Can then only recruit someone part time into this post. Saves some money but recruitability is unknown.
	2	Car Parks	0	0		
	3	HR	23,854	10,000	Proposal was to reduce Consultancy by £10 and Training by £13.35k. CMT propose taking the consultancy saving only	Less consultancy funds to defend tribunal cases and less internal or external training provision available to Council
	4	Internal Audit	8,866	0	Only option would be reducing headcount	
Business Performance & People Total			42,566	50,000		
Chief Operating Officer	5	Conducting Elections	8,278	0		
	6	Electoral Registration	10,048	0		
	7	Land Charges	11,698	5,000	additional income up from £125k per annum to £130k per annum	
	8	Legal	32,241	61,980	Remove contracts lawyer post in new structure and not deemed necessary	
Chief Operating Officer Total			62,265	66,980		
Corporate Services	9	Committee Administration	9,236	0		
	10	Communications	14,566	25,910	Removal of 24 hr part time Communications and Website Officer post, which has been vacant for some time and recruitment attempts have proven unsuccessful	Would only have 2 full time Website Officers.
	11	Community Information	0	5,500	Increase in rent after Thaxted PC vacated the CIC and ECC took the whole lease.	
	12	Customer Services Centre	32,792	39,930	The saving comprises funding previously allocated for a statistical analysis post that is not required, plus nine hours of a Customer Service Advisor post that is not needed.	May reduce level of customer service but delivers some saving.
	13	Democratic Representation	19,462	2,270	Reduce members' expenses budget due to recent underspends because of fewer in person meetings.	A budget pressure would arise should more in person meetings be arranged.
	14	Saffron Walden Museum	15,345	8,000	Unused budget for consultancy costs	Not expected except from LGR related, which would be reserve funded.
	15			2,000	Non-Books Stock purchases - budget underspend	Would better reflect recent years' actuals.
	16			1,000	Other costs	Would better reflect recent years' actuals.
	17			12,000	New admission fee (income)	
Corporate Services Total			91,401	96,610		

CMT responsible Director	Ref	Service	Savings Target £	Possible saving identified £	Description	Implications
Digital Innovation & Commercialisation	19	Dunmow Depot disposal	4,188	83,750	Following sale of New Street Depot. Sale is subject to planning permission and planning application has been submitted	Depot for sale should confirm that the current level of budget is not required.
	20	Central Services	29,100	5,000	Saving is a change to our post delivery contract. At present we pay for a 'by 8.30am delivery' but that is never achieved so it is proposed to change to an on the day contract	
	21	Cleaning Service	9,654	9,510	Ceased renting equipment	Need to use Council's equipment or which there is more than enough
	22	General Offices	47,853	44,170	Combination of deletion of two posts from the structure and creation of a trainee surveyor post	A cleaning manager was also created but is within Cleaning Service budgets.
				41,650	Net savings on utilities due to tenants (Lightwood) now paying	Tenancies will continue into the future.
				17,500	Minor other budget savings	None as new ways of working implemented
	23	Information Governance	6,389	0		
	24	IT	118,707	2,270	Reduction in telephone usage resulting in licence savings	Lower numbers of staff in Offices using telephones.
Digital Innovation & Commercialisation Total			215,891	206,850	Following a general reduction in IT licences	Budgeted for under software so removing duplicate budget.
Environmental Services & Climate Change	25	Climate change	9,159	0		
	26	Depots	8,833	0		
	27	Environment	72,650	0		
	28	Grounds Maintenance	23,246	0		
	29	Street Cleansing	28,243	0		
	30	Street Services	16,625	0		
	31	Vehicle Management	44,284	180,000	Reduction in vehicle maintenance costs due to acquisition of new vehicles which require less maintenance	The acquisition of new waste vehicles is meaning they need less maintenance.
	32	Waste Management	246,734	7,000	Recent overachieving activity on income. Only scope for additional savings would be to revert to 10 rounds instead of the current 11 with the inevitable knock on consequences on service delivery	need to be able to maintain current volumes and credit pricing.
	33	Animal Welfare	637	0		
	34	Emergency Planning	1,751	0		
	35	Imported food	28,612	0	Currently undertaking an internal review of fees and charges to see if any additional income can be identified	
	36	Environmental Protection	31,708	9,500	Replacing 2 part time posts with a full time post	Half a Grade 8 and half a Grade 9 to be replaced with a full time Grade 8 post. This would need to go through the HR approval process.
Environmental Services & Climate Change Total			538,305	209,750	Replace vacant grade 8 post with grade 5-6 post	Would need approval for the establishment change.

CMT responsible Director	Ref	Service	Savings Target £	Possible saving identified £	Description	Implications
Housing, Health and Communities	38	Community Hubs	513	0	All that the Communities Team pays for is utilities which cannot be reduced	
	39	Community Safety	14,410	13,000	Removal of a consultancy budget	
	40	Grants & Contributions	25,550	0	Only option is to remove £25,550 from one-off grant (£80k) pot	
	41	Health Improvement	8,252	4,000	There is a ring-fenced health improvement grant from ECC and we are accountable how we spend this. Also we are not sure what we will get next year. So there is the potential to reduce the team budget by £4K and top up the £4K with the Essex Funding. The risk is whether this funding pot remains in the future	
	42	Homelessness	25,141	0	This is not possible, see growth bid	
	43	Housing Strategy	3,387	0	This cannot be reduced	
Housing, Health and Communities Total			77,253	17,000		
Planning	44	Building Control	65,144	5,930	Building Surveying expenses. Overtime and medical etc underspends in recent years	Demand would need to remain low.
	45	Dev't Control - Charges	177,634	25,750	Recent overachieving activity above inflation levels.	need to be able to maintain current volumes.
		Dev't Control - Fees		276,400	Recent overachieving activity above inflation levels.	
		Dev Ctrl PPA - Charges		163,250	Recent overachieving activity above inflation levels.	
		Dev't Control - vacancy B/Control -		44,190	Deletion of two posts totalling 1 FTE	
	47	Economic Development	8,310	6,860	Reduce subscriptions and memberships - not required	
		Planning Management	30,059	0		
		Planning Policy	32,196	45,000	remove a vacant post	
	48	Planning Specialists		14,160	Reduced need for conservation consultants as some duties can be covered by staff.	Assumes staff with conservation knowledge won't be lost.
Planning Total			313,343	581,540		
Finance, Revenues and Benefits	49	Benefits Administration	29,744	0		
	50	Council Tax Collection	5,125	20,000	LCT automation - staff hours reduction following automation of part of the case processing.	This can only be quantified once staff-hours have been reduced and vacancy created to crystallise savings. Potentially £20k+.
	51	Non Domestic Rates Collection	718	700,000	Additional income from identifying businesses either not paying Business Rates or who should be paying more. Using a national company to review. Work just started hence potential additional income identified for 27/28 not 26/27	Unquantifiable at this stage but this could potentially be very significant for UDC. Initial estimates say that there could be £1.1m of new rateable values across UDC, with a potential NNDR yield of £1.8m, of which UDC could retain £0.7m. But we can only record quantifiable benefits when they materialise.
	52	Revenues Administration	39,499	0		
	53	Corporate Management	78,122	0		
	54	Finance Service	42,742	3,500	Half of existing training budget. Will only have one trainee going forward instead of 2.	If a current Accountant left and we needed to hire a part qualified replacement with training needs, this would result in a budget pressure.
				8,200	Non-accountants do not require professional body subscriptions to pay so don't need a budget for all staff	Can't be used to offset other budget pressures but will bring more budget discipline.
Finance, Revenues and Benefits Total			195,950	731,700		
		TOTAL	1,536,974	1,960,430		

APPENDIX C - 2026/27 to 2030/31 CAPITAL PROGRAMME

<u>Digital Innovation & Commercialisation</u>					
Capital Expenditure					
Capital Project	2026/27 Budget £'000s	2027/28 Budget £'000s	2028/29 Budget £'000s	2029/30 Budget £'000s	2030/31 Budget £'000
ROLLING PROGRAMME					
Day centre cyclical improvements	10	10	10	10	10
Saffron Walden Castle	30	30	30	30	30
Electric car chargers	15	15	15	15	15
ICT minor items	20	20	20	20	20
PCI Compliance	20	20	20	20	20
PSN/CAF	30	30	30	30	30
Cyber Security	20	20	20	20	20
SPECIFIC PROJECTS					
London Road Front Felt	0	10	0	0	0
Council Chamber Dome	0	10	0	0	0
Museum Rising Damp	0	10	0	0	0
Asset Management Plan	0	218	180	150	100
Museum First Floor Fire Escape	36	0	0	0	0
Car park lighting	40	0	0	0	0
Fairycroft Car Park Cladding	121	0	0	0	0
London Road Skylights	164	0	0	0	0
Fairycroft Car Park Renewal of Stair Nosing	22	0	0	0	0
Lower Street Car Park Tree Felling & Surface Works	80	0	0	0	0
Canfield Fire Alarm System Augmentation in Voids	60	0	0	0	0
Car Parks Boundary Wall Works	0	43	0	0	0
Saffron DC Windows	0	33	0	0	0
Museum Heat Emitters	0	22	0	0	0
Common Car Park & Caton Car Park Drainage	0	93	0	0	0
Canfield Canopy	0	11	0	0	0
Corporate laptop/device replacement	0	40	0	0	0
Corporate mobile phone replacement	0	0	25	0	0
Total	668	635	350	295	245

Environmental Services & Climate Change

Capital Expenditure					
Capital Project	2026/27	2027/28	2028/29	2029/30	2030/31
	Budget	Budget	Budget	Budget	Budget
	£'000s	£'000s	£'000s	£'000s	£'000
Vehicle Replacement Programme	1,685	1,460	715	633	280
Disabled Facilities Grants	292	292	292	292	292
Private Sector Grants	15	15	15	15	15
Total	1,992	1,767	1,022	940	587

Planning

Capital Expenditure					
Capital Project	2026/27	2027/28	2028/29	2029/30	2030/31
	Budget	Budget	Budget	Budget	Budget
	£'000s	£'000s	£'000s	£'000s	£'000
REPF	0	0	0	0	0
UK Shared Prosperity Fund	0	0	0	0	0
Total	0	0	0	0	0

Housing, Health & Communities

Capital Expenditure					
Capital Project	2026/27	2027/28	2028/29	2029/30	2030/31
	Budget	Budget	Budget	Budget	Budget
	£'000s	£'000s	£'000s	£'000s	£'000
Grants	25	0	0	0	0
Total	25	0	0	0	0

Resources

Capital Expenditure					
Capital Project	2026/27	2027/28	2028/29	2029/30	2030/31
	Budget	Budget	Budget	Budget	Budget
	£'000s	£'000s	£'000s	£'000s	£'000
ERP Replacement	0	0	0	0	0
Total	0	0	0	0	0

Investments

Capital Expenditure					
Capital Project	2026/27	2027/28	2028/29	2029/30	2030/31
	Budget	Budget	Budget	Budget	Budget
	£'000s	£'000s	£'000s	£'000s	£'000
Chesterford Research Park					
Building 900 Refurbishment	1,100	0	0	0	0
Chesterford Research Park Pipeline Projects					
Building 500 New Build	0	0	2,500	5,000	2,500
Building 1100/ 1200 New Build	10,000	20,000	10,000	0	0
Lease End Units Refurbishment	1,500	3,000	3,000	3,000	3,000
Total	12,600	23,000	15,500	8,000	5,500

Business Performance & People

Capital Expenditure					
Capital Project	2026/27	2027/28	2028/29	2029/30	2030/31
	Budget	Budget	Budget	Budget	Budget
	£'000s	£'000s	£'000s	£'000s	£'000
Superfast Broadband	0	0	0	0	0
Total	0	0	0	0	0