

Committee: Council

Date: Tuesday,
24 February 2026

Title: Budget 2026/27 and Medium Term Financial
Plan 2026/27 to 2030/31

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

**Report
Author:** Lance Porteous, Director of Finance,
Revenues and Benefits
lporteous@uttlesford.gov.uk

Summary

1. This is the budget recommended for 2026/27, as proposed for full council.
2. The budget has been consulted on from 17 December 2025 to 14 January 2026 and responses are attached at Appendix A.

Recommendations

3. That the Council approves:
 - i. the key assumptions as set out at paragraphs 31 - 38 of the full report;
 - ii. the Medium Term Financial Plan 2026/27 to 2030/31 on page 11 of the full report;
 - iii. the council tax increase of 2.99% council tax 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 as set out on pages 17 and 18 of the full report;
 - iv. 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 as set out on pages 17 of the full report;
 - v. the Council Tax requirement for 2026/27 of £7.761m as set out in paragraph 3 of Appendix B;
 - vi. the General Fund budget as detailed on page 21 of the full report;
 - vii. to increase the HRA rent by the maximum allowed of 1% above CPI, which is 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 as set out on page 29 of the full report;
 - viii. the housing service charge increases (General Fund and HRA) in line with inflation plus 1% as per rents;
 - ix. the Housing Revenue Account 5 year budget as set out on page 32 of the full report;
 - 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. the Capital Strategy 2026/27 to 2030/31 as set out on pages 33-43 of the full report;
- xii. to approve the General Fund Capital Programme 2026/27 to 2030/31 detailed on pages 44-47 of the full report;
- xiii. to approve the HRA Capital Programme 2026/27 to 2030/31 detailed on pages 48 of the full report;
- xiv. the section 25 report set out on pages 49 - 55 when considering the budget for 2026/27;
- xv. the further proposal to increase Garden Waste subscriptions by £5 in 2027/28 as part of the Blueprint Uttlesford 2.0 programme to support the MTFP on page 20;
- xvi. the Fees and Charges schedule as set out in Appendix C;
- xvii. the Treasury Management Strategy Statement 2026/27 as set out in Appendix D;
- xviii. the Minimum Revenue Provision Statement 2026/27 as set out in Appendix E;
- xix. the Commercial Strategy 2026/27 to 2030/31 as set out in in Appendix F;
- xx. the Ethical Investment Policy as set out in Appendix G;
- xxi. the revenue growth bids as detailed at Appendix H;
- xxii. the savings proposals as detailed at Appendix I; and
- xxiii. notes the Equality & Health Impact Assessment at Appendix J.

Detail

4. The 2026/27 budget process has been an unusually challenging one due to the following reasons:
 - A new government is trying to make major changes quickly and sometimes had to reverse position quickly, which meant announcements kept being reversed or clarified.
 - Resources shifting from rural areas to urban ones and areas of deprivation by way of the Fair Funding Review, as confirmed in the Final Local Government Financial Settlement. Uttlesford's 2026/27 core spending power has thus been reduced by 5% compared to 2025/26. In addition, a change in the calculation formula between draft and final after consultation has resulted in a further funding cut of £1,015,000 per annum.
 - On the positive side, it is a 3 year settlement but is filled by significant transitional protection payments that will be withdrawn after year 1 and further after year 3.
 - Uncertainty as to the level of grant funding each year with regards to the Extended Producer Responsibility and its expenditure requirements.
 - Local government reorganisation preparation is in full swing. The Essex group of councils have put forward 4 bids to the government for proposed

unitaries to replace the current County Council, 2 unitaries and 12 district councils. The decision on which is expected from the government in March 2026. Funds for which have been put aside of £250k of resources per year plus an additional £2 million in reserves.

- Inflation rates stubbornly remaining more than 1% above the Bank of England target level of 2%, leading to interest rates falling slower than previously forecast and public sector pay wards forecasting to remain higher.
- The ongoing external audits that do not lead to audit committee sign-off until backstop dates are reached.

5. This in part led to the changes in the base budget as detailed below:

Table 1: Change between Draft Budget and Final Budget

Movements		£'000s
Draft Budget Deficit for 2026/27		629
Settlement	C-Tax/NNDR/RSG	141
	Homelessness Prevention Grant	(127)
New Growths	Planning Posts	30
	Waste re EPR Expenditure	390
	London Road Decarbonisation - cost of borrowing	61
	Additional 1% Pay Award	177
Reduced Growths	Schools Pollution Awareness Campaign	(25)
	Removal of HVO excess growth	(67)
Audit Query Recalculation	MRP	421
Revised Budget Deficit for 2026/27		1,630

6. There have also been some positive stories:

- The council has been meeting the government's backstop dates for external audit and drafted its most recent financial statements (2024/25) ahead of the deadline.
- The Local Plan has now been approved.
- The council will have a new modern Finance system that will automate activity and provide better management data.
- The council's reserves are expected to last for the life of the Medium Term Financial Plan (5 Years), which is increasingly rare for councils.
- The council is able to afford putting resources aside and invest in the move to a new unitary council.
- Investing in Aspire CRP generates local investment, high quality jobs and translates to increased business rate growth, which will fund local services.

Furthermore the recent additional investment will bring a significant financial reward to support the public services Uttlesford serves.

- Despite higher interest rates for longer, the investment portfolio will move back into a surplus from 2026/27 onwards.
- The council continues to invest in its services as can be witnessed through the growth bids.

7. Despite it yielding many financial benefits, the need to continually identify new savings via the current model of Blueprint Uttlesford 2.0 will not be sufficient on its own when resources are shifting to working on local government reorganisation. Therefore, alternative and additional savings will be put forward throughout the year to ensure the council reserves stay resilient over the life of the Medium Term Financial Plan.

Conclusion

8. Prudence in prior budget setting processes has stood the council in good stead so that the eventual realisation of FFR, although hitting the council’s funding hard, has not thrown the council into financial distress, but rather is well prepared for it. This, again, is a very prudent, robustly “risk-aware” budget.

Financial Implications

9. The financial implications are noted within the report.

Background Papers

10. Draft Budget and MTFP Report to Cabinet 16 December 2025.

11. Budget and MTFP Report to Cabinet 17 February 2026.

Communication/Consultation	The draft budget was consulted on with the public between 17 December 2025 and 14 January 2026.
Community Safety	None identified.
Equalities	Considered when putting together growth bids and savings proposals.
Health and Safety	Considered when putting together capital growth bids.
Human Rights/Legal Implications	The Cabinet has a responsibility to keep under review the budget of the Council and any other matter having substantial

	<p>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	Some growth bids have been developed specifically for this purpose.
Ward-specific impacts	N/A
Workforce/Workplace	Considered when putting together growth bids and savings proposals.

Appendix A: Budget Consultation

Appendix B: Council Tax Base

Appendix C: Fees and Charges

Appendix D: Treasury Management Strategy Statement (TMSS)

Appendix E: Minimum Revenue Provision (MRP)

Appendix F: Commercial Strategy

Appendix G: Ethical Investment Policy

Appendix H: Revenue Growth Bids

Appendix I: 5% Savings Proposals

Appendix J: Budget EqHIA (General Fund & HRA)