

UPDATED FINANCIAL FORECAST 2025/26

Line		Prior Year Budget	Last Updated Forecast (15 November 2024)	Updated Forecast (20 December 2024)	Change between November and December Positions
		2024/25	2025/26	2025/26	
		£m	£m	£m	£m
	Underlying Funding Growth in the Budget				
1	Council Tax Increase 1.99%	(0.191)	(0.200)	(0.200)	0.000
2	Ctax increase by £5 (amounts set out are over and above 1.99% above)	(0.064)	(0.059)	(0.059)	0.000
2a	Council Tax Increase 2.99%	(0.032)	0.000	(0.041)	(0.041)
3	Growth in Business rates - Inflation	0.000	(0.158)	(0.158)	0.000
4	Growth in Council Tax - general property / tax base growth	(0.158)	(0.190)	(0.325)	(0.135)
5	Growth in Business Rates - general property / tax base growth	(0.636)	0.540	0.540	0.000
6	Collection Fund Surpluses b/fwd - Ctax	(0.159)	(0.100)	(0.213)	(0.113)
7	Collection Fund Surpluses b/fwd - BR	(0.792)	0.000	0.000	0.000
		(2.032)	(0.167)	(0.456)	(0.289)
	Net Cost of Services and Other Adjustments				
8	Change in RSG (including other financial settlement funding)	(0.571)	0.619	0.619	0.000
9	Remove one-off items from prior year	(0.375)	(0.396)	(0.396)	0.000
10	Remove one-off items from prior year - Collection Fund Surplus	0.784	0.951	0.951	0.000
11	LCTS Grant To Parish Council's	0.006	0.000	0.000	0.000
12	Revenue Contrib. to Capital Programme	0.000	0.000	0.000	0.000
13	Specific change in Use of Reserves	(0.216)	(0.056)	(0.056)	0.000
14	Changes to Savings Identified in Prior Years	0.000	0.395	0.395	0.000
15	On-going savings Identified / Achieved	(1.242)	0.000	0.000	0.000
16	Other Adjustments	(0.072)	0.000	0.000	0.000
17	Use of New Homes Bonus	(0.500)	0.000	0.000	0.000
18	Gain from Essex Business Rates Pool Membership	(0.400)	0.000	0.000	0.000
		(2.586)	1.513	1.513	0.000
	Cost Increases				
19	Inflation - Employee / Members Allowance Costs (including annual review adjustments)	1.537	1.540	1.540	0.000
20	Inflation - Other	0.390	0.148	0.148	0.000
21	Unavoidable Cost Pressures	1.716	0.500	1.157	0.657
		3.643	2.188	2.845	0.657
22	Add back Use of Forecast Risk Fund / Reserves in Prior Year	1.236	0.261	0.261	0.000
23	ANNUAL Structural Budget Deficit / (Surplus) BEFORE Required 'Savings'	0.261	3.795	4.163	0.368
24	On-going Savings Required	0.000	(1.319)	(2.655)	(1.336)
25	ANNUAL Structural Budget Deficit / (Surplus) AFTER Required 'Savings'	0.261	2.476	1.508	(0.968)
26	Use of Forecast Risk Fund / Other Reserves to support the Net Budget Position	(0.261)	(2.476)	(1.508)	0.968

Use of Forecast Risk Fund

Outturn b/fwd from prior years	(6.426)	(6.415)	(6.415)	
Applied in year as set out in the forecast above	0.261	2.476	1.508	(0.968)
Additional contributions generated / required in year	(0.250)	(0.250)	(0.250)	0.000
Balance to Carry Forward	(6.415)	(4.189)	(5.157)	(0.968)