



Cabinet

9th December 2025

Report of

Interim Chief Finance Officer (S151)

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Title

Draft Budget 2026/27 and Medium-Term Financial Forecast (MTFF) to 2029/30 (General Fund and Housing Revenue Account)

Wards affected

All wards

1. Executive Summary

- 1.1 This report contains the 2026/27 Draft and Medium-Term Financial Forecast (MTFF) to 2029/30 for the General Fund and the Housing Revenue Account (HRA). This report includes a number of Annexes including the proposed Fees and Charges schedule effective from 1st April 2026, a draft Capital Programme for the General fund and the Housing Revenue Account (HRA), for consideration by Cabinet.
- 1.2 A final report will be presented to Cabinet on 28 January 2026 for onward approval at Full Council on 25 February 2026, at which time public budget consultation will have been concluded.

2. Recommended Decision

- 2.1 To consider the attached 2026/27 Draft Budget and MTFF to 2029/30 included at Appendix A with a view to preparing a final budget report for approval by Full Council on 25 February 2026.
- 2.3 That Cabinet note Annexes to this report including the following:
 - 2.3.1 The Medium-Term Financial Forecast (MTFF) 2026/27 to 2029/30
 - 2.3.2 The draft Fees and Charges schedule proposed for 2026/27
 - 2.3.4 General Fund Draft Capital Programme 2025/26 to 2027/28 and Indicative Programme 2028/29 to 2030/31 and beyond.
 - 2.3.5 Pressures 2026/27 to 2029/30
 - 2.3.6 Proposed Savings 2026/27 to 2029/30
 - 2.3.7 The Housing Revenue Account Draft Revenue Budget 2026/27

3. Reason for Recommended Decision

- 3.1 For Cabinet to note the draft budget for 2026/27 which will enable further amendments/updates to be made as required such as the implications of the Provisional Local Government Finance Settlement expected in mid-December, in advance of the final budget.

4. Alternative Options

- 4.1 This draft budget presents Cabinet's recommended position on the 2026/27 General Fund and Housing Revenue Account budgets (Revenue and Capital). This is a statutory and constitutional requirement and there are no alternative options.

5. Equality, Diversity and Human Rights implications

- 5.1 Consideration will be given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate as part of the final report.

6. Standard References

- 6.1 There are no direct Human Rights, Community Safety, or Health and Safety implications because of this report.

7. Strategic Plan References

- 7.1 The Budget proposals set out in this report have been developed within the framework of the Council's Strategic Plan ambitions, as set out within the agreed Strategic Plan. These are balanced against the Statutory requirement of presenting a balanced budget and delivering core Statutory Services. The Budget presented here is the considered optimum combination of these factors.

8. Consultation implications

- 8.1 The proposals contained within this report have been developed through engagement with all Members of the Council as well as both Council Tax Ratepayers as part of the engagement process. Businesses will be consulted in January as part of statutory consultation.
- 8.2 Two sessions have been held with members of the public informing them of the composition of Council's budget and the financial pressures and challenges it faces. An online survey has also been launched in early November for residents and businesses and other stakeholders to participate in. This closes on 8th December and at the time of writing this report just over 400 people had participated in the consultation from across Colchester. Outcomes of this consultation will be included in the final report.

9. Publicity Considerations

- 9.1 Decisions on Taxation and on the level of services provided, as set out within these Budget proposals, are likely to have direct impact on the majority of the Council's residents. As part of Budget engagement, the Council will use all standard publicity media to ensure that the impact of the agreed Budget is widely communicated and the reasons for the proposals are understood.

10. Financial implications (Section 151 Officer Commentary)

- 10.1 As set out in the report.
- 10.2 No changes are necessary to the Financial Regulations.

11. Health, Wellbeing and Community Safety Implications

- 11.1 Health, Wellbeing and Community Safety consideration have been explored and considered in respect of each key component part of the Budget presented here. .

12. Health and Safety Implications

- 12.1 None.

13. Risk Management Implications

- 13.1 The consideration of risk formed an integral part of the development of the proposals in this report. In particular, the budget (and updated MTFF) is based on a series of estimates and assumptions that are informed by a range of intelligence sources (some certain, some uncertain); that process, including any residual risk in the decision-making process, is clearly indicated where appropriate.

14. Environmental and Sustainability Implications

- 14.1 All budget measures are assessed for their environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme in the Strategic Plan.

15. Devolution and Local Government Reorganisation Implications

- 15.1 The Council is required constitutionally to prepare a Medium-Term Financial Forecast for four years from 1st April 2026 to 31st March 2030. It is likely that the Council will no longer exist as a separate sovereign entity by the end of this MTFFS period given the fact that Colchester along with other Essex authorities is likely to become part of a larger unitary authority.
- 15.2 The Council feels it is important that it acts in a way that when Colchester City Council becomes part of a larger authority that it hands over an organisation that has been consistently prudent and does not burden any new authority with reckless borrowing or huge budget deficits. Equally the Council is keen that it delivers as much as it can for the residents of Colchester prior to the dissolution of the Council.

Appendices

- Appendix A - 2026/27 Draft Budget and Medium Term Financial Forecast (MTFF) to 2029/30

- Annex 1** Pressures 2026/27 to 2029/30
- Annex 2** Proposed Savings 2026/27 to 2029/30
- Annex 3** Proposed Fees and Charges Schedule 2026/27
- Annex 4** General Fund Draft Capital Programme 2025/26 to 2027/28 and Indicative Programme 2028/29 to 2030/31 and beyond
- Annex 5** Housing Revenue Account Draft Revenue Budget 2026/27
- Annex 6** Housing Revenue Account Draft Capital Programme 2026/27 – 2030/31