

Meeting CABINET
Portfolio Area RESOURCES and PERFORMANCE
Date 12 November 2025



BALANCING THE BUDGET 2026/27

KEY DECISION

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1. PURPOSE

- 1.1 To update Members on the Balancing the Budget priority and the 2026/27 onwards options that meet the required General Fund requirement.
- 1.2 To update Members on the General Fund core resource projections and note the impact of Fair Funding from 2026/27 onwards.
- 1.3 To propose a range of General Fund (GF) budget options (in addition to those identified in the September 2025 Medium Term Financial Strategy (MTFS)) to be incorporated in the 2026/27 Revenue Budget Process.
- 1.4 To identify the savings options that potentially could meet the budget need for the years 2027/2-2029/30 to ensure a three year pipeline of savings to meet the need in the Medium Term Financial Strategy.
- 1.5 To update Members on the General Fund balances as a result of the Balancing the Budget options and growth and service pressures for 2026/27 onwards.

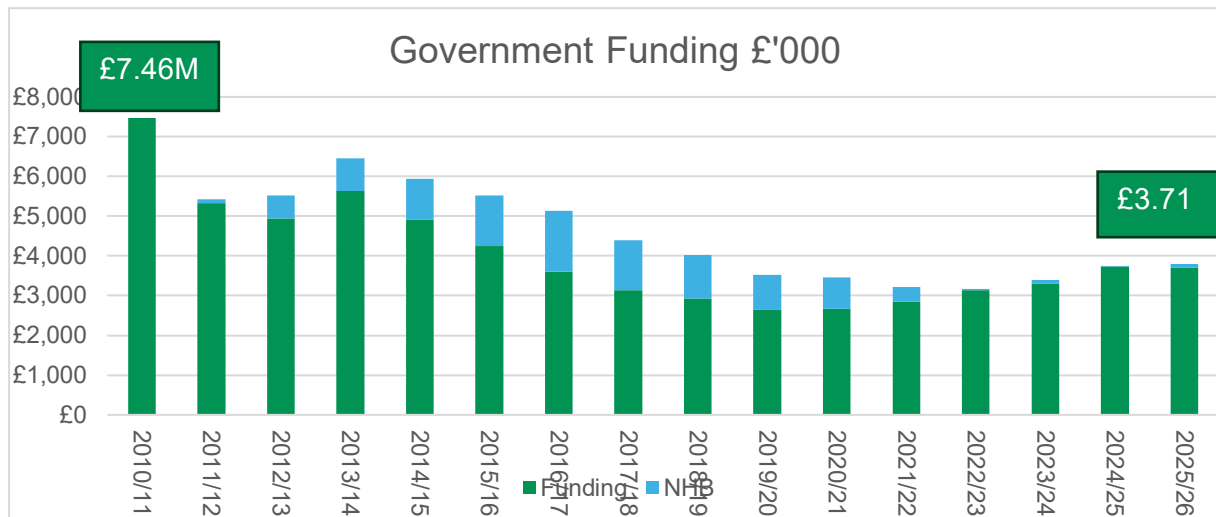
- 1.6 To update Members on the potential to use 2026/27 in year projected surpluses to fund capital or other one off spend.

2. RECOMMENDATIONS

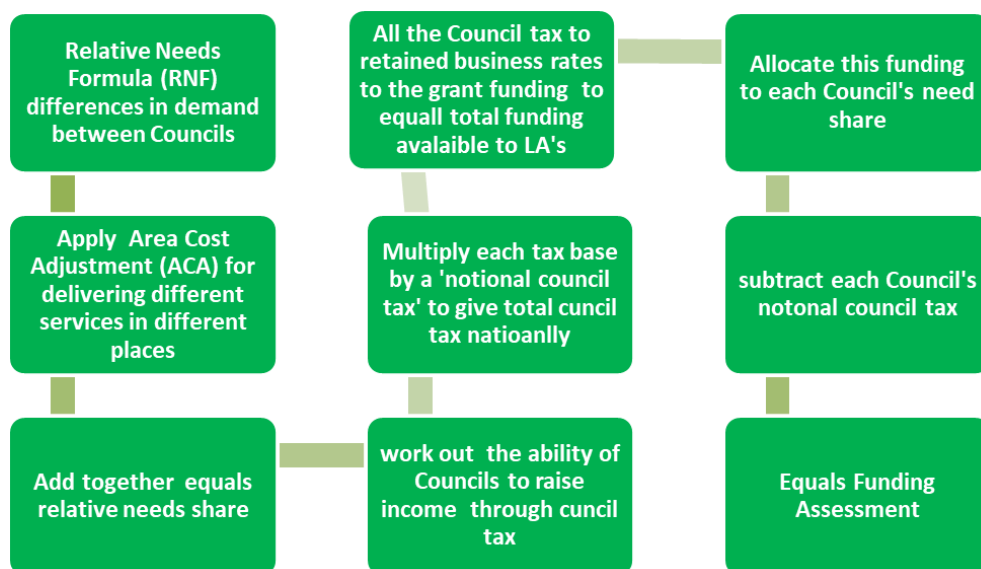
- 2.1 The Balancing the Budget options as set out in the report and Appendix A, totalling £84,640 (saving) for the General Fund 2026/27 (and £21,600 for the HRA) be approved and incorporated into the Council's budget setting processes.
- 2.2 Members note the future savings target can be met from Fees and Charges as set out in paragraph 4.6.5 (subject to Government Funding, Local Government Reorganisation and unidentified growth).
- 2.3 The revised GF MTFS financial summary, as shown in section 4.9 to this report be noted.
- 2.4 Members delegate the completion of the Business rates for 2026/27 (NDR 1) to the Strategic Director (S151) after consultation with the Resources and Transformation Portfolio holder (paragraph 4.3.4 refers).
- 2.5 That the Council's recognised unions be consulted regarding the proposed budget package.
- 2.6 That key partners and other stakeholders be consulted, and their views considered as part of the 2026/27 budget setting process.

3. BACKGROUND

- 3.1. This report follows on from the General Fund Medium-Term Financial Strategy (MTFS) approved at the September 2025 Cabinet. This set out the Council's assumptions about inflation, pressures and the annual funding gap and options to ensure the General Fund remains financially resilient.
- 3.2. The MTFS identified that Stevenage's Government funding has halved since 2010/11 (after adjusting for subsequent changes for council tax support etc) and before consideration of the impact of a 10% population growth and 15 years of compound inflationary pressures. In response the Council has needed to deliver £16.5Million of savings through its priority, 'Balancing the Budget'



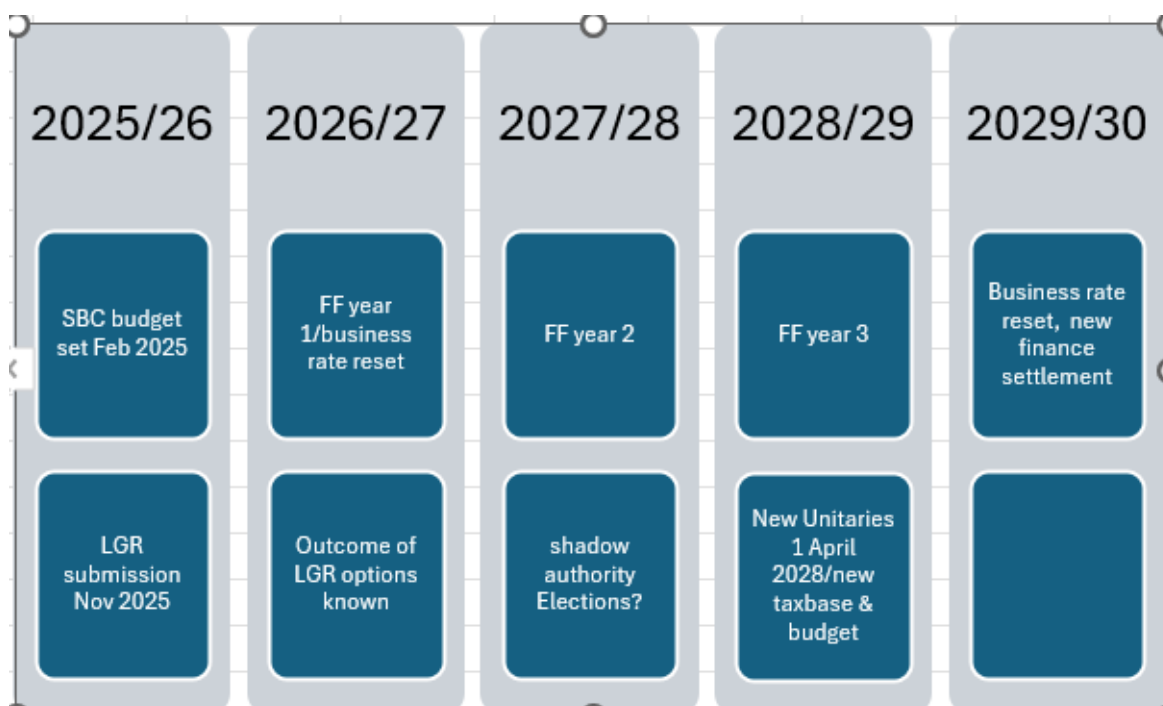
- 3.3. The Government has consulted on a review of how Councils are funded as reported in the MTFS. The Fair Funding review plans to change how money is allocated to Councils in England, which has not been updated since 2013. These reforms aim to account for current needs and costs faced by communities across the country, including adjusting for the costs of remoteness faced by rural communities, and the ability of individual local authorities to raise Council Tax, while at the same time resetting business rates income. The mechanism used is a series of formulae used to calculate funding allocations. The aim is to make the system fairer and more current, so Councils get funding that better reflects their local needs based on a number of factors. So, from 2026/27, this revised system for allocating funding between Councils (summarised in the table below), will take account of those revisited factors of Councils' spending needs and their relative abilities to raise revenues themselves via council tax.



- 3.4. An illustration of the possible impact of Fair Funding for Stevenage was set out in the September MTFS, however the Government's response to the consultation is yet to be published and the Autumn budget is not due until 26 November alongside any policy statement on funding. Finally, the provisional settlement where the individual funding will be known for Councils is not expected until 17 December 2025. To complicate matters further there are a

number of fair funding models which give differing grant allocations, skewing certainty over funding projections, e.g. whether social care grants are included in the overall funding envelope and the level of notional council tax assumed in the calculation. The current SBC projections are summarised in paragraph 4.4.2 and remain unchanged from the September MTFS. There have been indications from MHCLG that funding criteria may have changed since the consultation.

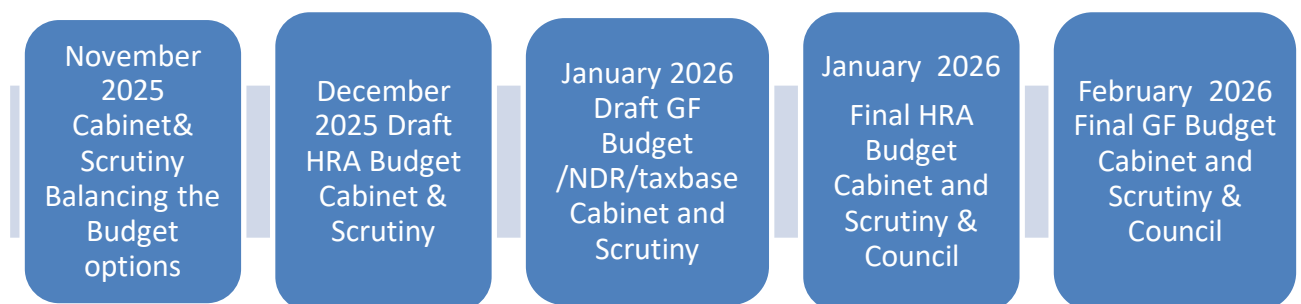
- 3.5 The Council's strategy for setting a financially resilient budget ('Balancing the Budget'), saw a number of efficiencies and proposed fee increases included in the September MTFS totalling £1.134Million, this report will summarise any changes to those numbers and identify further options identified through efficiencies, Business Change and Commercial and Insourcing activity.
- 3.6 The Senior Leadership Team consider a three year view of savings is required to balance the budget to ensure that there is sufficient value of options that can be delivered within the timescales required. The revised target has reduced in future years subject to Fair Funding outcomes being realised, however as stated in the September MTFS the three year savings period is within the Local Government Reform period.



- 3.7 The successful identification and removal of savings as summarised in paragraph 3.3 has meant the Council has continued to fund both statutory and discretionary services which are in the main delivered directly by the Council. More information about what the Council delivers can be found in the Council's Corporate Plan at the following link, [Corporate Plan Link](#).
- 3.8 The MTFS assumes a small allowance for growth of £75K per year and this report also recommends a number of growth bids proposed for consideration and approval to be included in the General Fund for 2026/27.
- 3.9 The budget setting timetable dictates that 2026/27 pressures and savings are approved by Members at this stage ahead of the budget setting process. It is the CFO's view that unidentified budget targets should not be included in the

2026/27 budget. This is important as it allows Members to compare the relative priority of all options for approval.

3.10 The budget setting timetable is as set out below.



4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1. The requirement to make budget savings

4.1.1. The inflationary pressures before any service or operation demand led costs is significant for the General Fund and has increased since the September 2025 MTFS to reflect a higher level of CPI inflation expected in 2026/27 with September CPI at 3.8%. A summary of inflation now projected in the MTFS is detailed below.

Inflation	2025/26	2026/27	2027/28	2028/29	2029/30
Pay	£801,291	£766,277	£608,435	£622,881	£637,682
NI increase (less grant)	£226,279				
Contracts	£372,825	£390,920	£334,943	£373,148	£323,237
Utilities & fuel	£117,676	£152,424	£145,904	£159,393	£168,879
charged to HRA/other LA's	(£207,975)	(£164,130)	(£132,046)	(£158,813)	(£138,211)
Total	£ 1,310,095	£ 1,145,492	£ 957,236	£ 996,609	£ 991,587
September MTFS	£ 1,289,095	£ 1,117,082	£ 925,254	£ 927,010	£ 955,819
Increase	£ 21,000	£ 28,410	£ 31,982	£ 69,599	£ 35,768

4.1.2. The 2026/27 inflation projections includes an assumption of 2.75% pay award an increase of 0.25% would increase pay inflation by further £65K in 2026/27.

4.1.3. The General Fund also has projected additional costs of £680K by 2028/29 which are summarised in the table below.

Additional MTFS Costs	2026/27	2027/28	2028/29	Rationale
Housing subsidy administration	£10,000	£20,000	£30,000	Subsidy payments are based on caseload which is reducing although the workload has not reduced at the same rate due to the increased real time information and changes of circumstances. The MTFS is assuming a £10K reduction in cost per year.

Additional MTFS Costs	2026/27	2027/28	2028/29	Rationale
Elections Budgets	£0	£50,000	£50,000	The Elections budgets have not increased for a number of years, monies were transferred to an elections reserve to adequately resource the 2025/26 bi-election and 2026/27 District elections
External support for the new Forster Country park	£20,000	£0	£0	The 1st quarterly monitoring report to September 2025 Cabinet identified £15K required for 2025/26 and a further £20K is recommended for 2026/27.
Car parking income	£31,720	£51,720	£150,000	The MTFS previously assumed a loss of £300K in 2024/25, £200K 2025/26 onwards, however 2024/25 parking income and the current projections in the 1st quarter monitoring to this committee show an improvement. The projection has been downturned from 2027/28 when current compounding income on Swingate ceases (full year impact 2028/29).
Cost of Local Government Reorganisation	£150,000	£150,000		The CFO recommends setting aside a budget for additional officer capacity or external advice to ensure the Council has the right advice and capacity for LGR
Queensway LLP reserve	£250,000	£350,000	£450,000	The Council set up the LLP to act as a catalyst for regeneration in the town centre as set out in the 4th Quarter Monitoring report to the July 2024 Cabinet and subsequent October 2025 Cabinet report. In order to ensure that funding to invest in the asset and/or support the LLP over the 37 year lease, the CFO recommended increased contributions be set aside in the 2025 and 2025/26 MTFS. This is to ensure the financial resilience of the asset and town centre.
Total Revised Pressures	£461,720	£621,720	£680,000	

4.1.4 The September MTFS recommended the inclusion of additional costs for two of the Council's priorities as a result of the improvement in projected funding and these are summarised below.

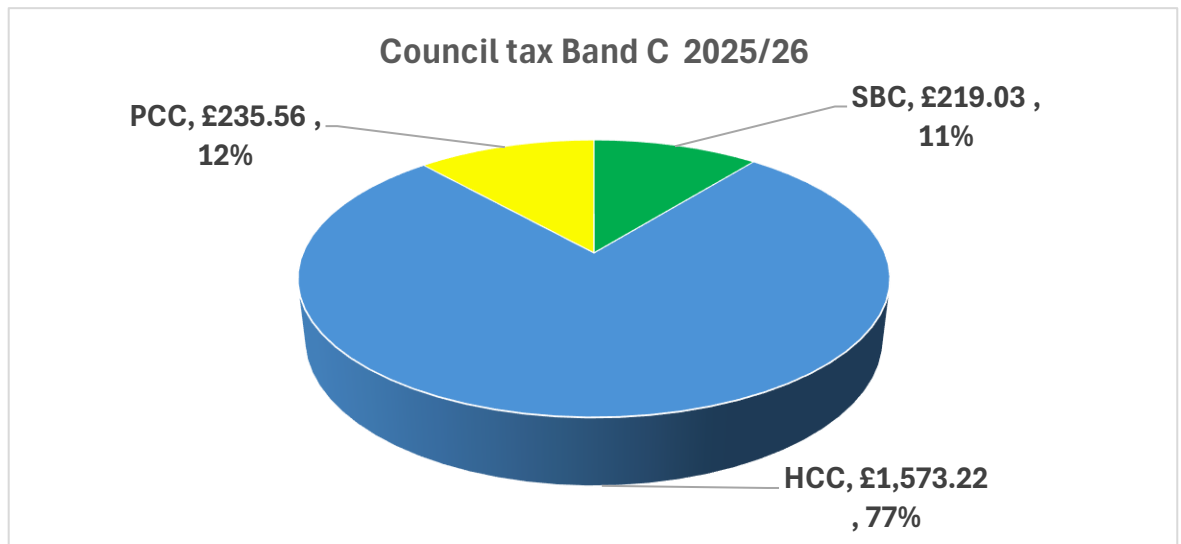
Additional MTFS Approved Spend	2026/27	2027/28	2028/29	Rationale
Apprentice scheme	£150,000	£150,000	£23,000	Addition of funding for the scheme versus the assumed use of unbudgeted year end underspends based on the projected increased funding from 2026/27 onwards.
Oval Redevelopment General Fund Assets	£0	£137,000	£275,000	Addition of funding for the General Fund assets (retail and community) based on the projected increased funding from 2026/27 onwards.

4.2. Council Tax

- 4.2.1 Council Tax increases are capped by Government (before referendum on the increase). Under the Fair Funding Review 2.0 (see also paragraph 3.3), the government has assumed a 5% council tax increase per year for the next three years, which includes the maximum allowable 2.99% general increase and a 2% adult social care precept for unitary and upper tier Councils. This is the assumption the government uses to calculate total funding available to Councils. The September MTFS included a 2.99% increase for 2026/27 onwards. The impact of a 2.99% increase is summarised per council tax band in the table below.

Council tax band	2025/26 SBC	2.99% incr.	2026/27 per year	Incr. per week
A	£164.27	£4.91	£169.18	£0.09
B	£191.65	£5.73	£197.38	£0.11
C	£219.03	£6.55	£225.58	£0.13
D	£246.41	£7.37	£253.78	£0.14
E	£301.17	£9.00	£310.17	£0.17
F	£355.93	£10.64	£366.57	£0.20
G	£410.68	£12.28	£422.96	£0.24
H	£492.82	£14.74	£507.56	£0.28

- 4.2.2 The increase shown above is based on the full SBC charge for a property band, but those in working aged claimants in receipt of council tax support (CTS) and on the maximum benefit will pay just 8.5% of their liability. There are also discounts such as Single Person Discount (SPD) which reduces the liability by 25%. More information about CTS scheme can be found on Stevenage Borough Councils website. Link: [Council Tax Support Scheme](#)
- 4.2.3 Members should note that SBC only retains a relatively small part of the overall council tax raised for the year (the smallest element of the three preceptors). To illustrate this, taking a Band C property, (the biggest proportion of properties in Stevenage are in band C), the relative shares of council tax for a band C property are shown below.



4.2.4 The 2nd quarter monitoring report to this Cabinet identifies an increase in the tax base for 2025/26, based on more properties and less discounts than the original estimate to date tax base giving a potential surplus to be returned to SBC of £87,732 in 2026/27.

4.2.5 The taxbase for 2026/27 will be presented to the December 2025 Cabinet meeting based on projected new properties and an assessment of the level of council tax support (CTS) based on the current scheme (no change and other discounts).

4.3. Business Rates (NDR) Income

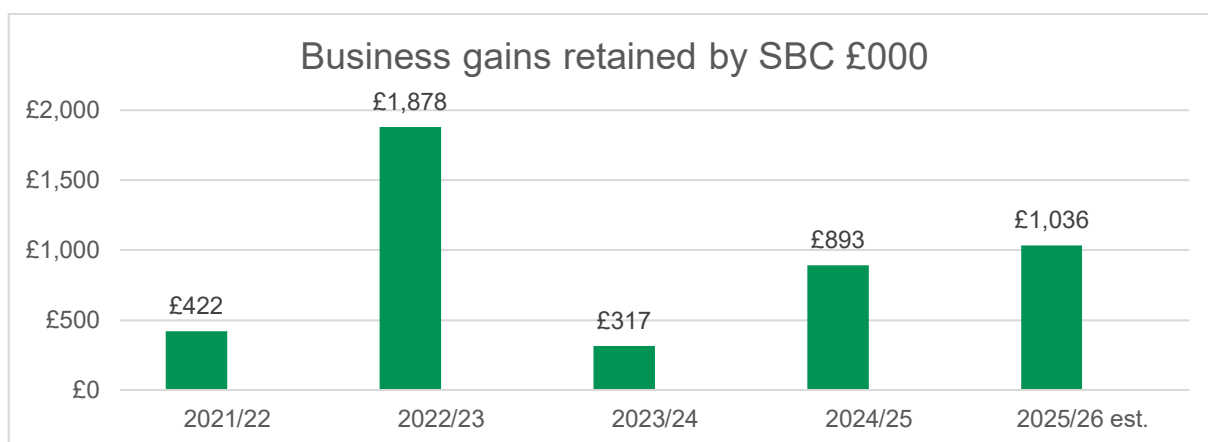
4.3.1. The MTFS only includes the base line funding or the government's needs assessment under the current funding formula, (Based on 2013/14 data), plus an additional £200K of business rate surpluses for the year. The remaining gains being used for financial resilience of the General Fund or one off priorities such as the holding costs for the joint venture with Mace on the Swingate site. This is because in year gains are not guaranteed and have fluctuated each year (see paragraph 4.3.3). The 2nd Quarter Monitoring report identifies that the projected 2025/26 gains of £1.239Million are currently projected to reduce by £28K.

4.3.2. However, from 2026/27 the government will be resetting the amount of business rates Councils keep, together with the level of government grants based on the revised needs assessment set out in paragraph 3.3. The mechanism to do this is to increase the tariff payable to the government on the 40% share of Business rates retained. The illustration below shows the process for calculating 2025/26 NNDR gains.





- 4.3.3. Because there has not been a funding reset since 2013/14 Stevenage alongside many other Councils has made annual gains, however these have significantly fluctuated and Members have approved business rate gains be transferred to the NDR reserve to improve the resilience of the General Fund, beyond the £200K retained in the General Fund. The business rate gains retained by SBC are summarised below.



- 4.3.4. The completion of the NDR1 form issued by the government determines the level of business rates collectable, level of reliefs to be given in 2026/27 together with the current business rate yield in January. The timing of the release of the government form and the submission deadline (and 2026/27 changes including new multipliers) means the completion of the NDR1 (due by 31 January 2026) is recommended to be delegated to the CFO after consultation with the Resources & Performance Portfolio Holder.
- 4.3.5. Business rate increases are based on the September CPI for the coming year but the CFO doesn't anticipate there will be any business rate gains for 2026/27 as the government will reset the level of business rates retained and 'recycle' those gains into the Fair Funding system using in probability the NNDR form for 2025/26. As a result of the proposed changes, the September 2025 MTFS included a loss of business rates of £160K, Councils are responsible for the first 7.5% of losses before the 'safety net' or funding top up is given by the government.

4.4. Projected Finance Settlement 2026/27

- 4.4.1 The projected funding assumptions 2026/27 and beyond remain unchanged from that set out in the September MTFS ([link here](#)) which includes a lower level of fair funding together (an allowance for the consultation changes such as the introduction of a ceiling on increases/longer transition period due to the

level of gainers and losers) plus an adjustment for business rates losses after the reset (for the first two years).

- 4.4.2 As stated in section three of the report the outcome of the consultation will not be known until circa October/November 2025 with the provisional funding settlement just before parliament rises on the 18 December 2025, therefore the CFO considered it prudent to revise down the funding assumptions until clarification is given later in the year. The provisional settlement will be multi-year (three years) and will mean the future years position will be clearer in terms of budget decisions.

Funding projections £'000		2025/26	2026/27	2027/28	2028/29	Total 2026/27- 2028/29
Business Rates	(£4,090)					
Under indexing	(£529)					
Total Business Rates	(£4,619)					
Revenue Support Grant	(£149)					
New Homes Bonus (NHB)	(£97)					
Recovery Grant	(£284)		£0	£0	£0	
NIC's (in net cost of services in 2025/26)	(£201)		£0	£0	£0	
Fair Funding			(£5,674)	(£5,997)	(£6,385)	
Loss of Business rates before safety net			£160	£160	£0	
Allowance for ceiling on funding gains after consultation			£500	£500	£500	
Total	(£5,349)		(£5,014)	(£5,337)	(£5,885)	(£16,236)
MTFS Assumptions			2026/27	2027/28	2028/29	Total 2026/27- 2028/29
Total			(£4,308)	(£4,389)	(£4,472)	(£13,169)
Increase 2026/27-2028/29						(£3,067)

- 4.4.3 The finance settlement is likely to roll in other grants such as temporary accommodation and Discretionary Housing payments (DHP) but these have not been factored into the numbers above until further clarification is given by the Government and they are currently assumed in the Net Cost of Services. Since the publication of the MTFS the government has confirmed that the proposal for DHP is to retain the existing allocations for 2026/27 and 2027/28 with the grant going to upper tier Councils from 2028/29 in line with the LGR timetable.
- 4.4.4 The MTFS also made no assumption about '**Extended Producer Pays**' funding an initiative which the Department for Environment and Rural Affairs (DEFRA) the amount is only guaranteed for 2025/26 (£1.078Million). A report to the July 2025 Cabinet set out how the money could be spent including improving flat block recycling. It is likely that further funding will be due in

2026/27, however there is no indication at the moment about the amount to be given and Members will be updated when further clarification is set out in the Finance Settlement. Councils have been asked to sign up to a declaration that funding will be used for waste and recycling (October 2025) which has been the case for Stevenage.

- 4.4.5 From April 2026 Councils must collect weekly food waste, the MTFs assumes that the Council will be fully compensated by the government for the increased costs incurred. The Council has been notified of the 2025/26 grant determination (transitional grant) to support the implementation of weekly food waste collections which is insufficient to cover the estimated cost and representation has been made to DEFRA. The 2026/27 allocations will be included in the 2026/27 Finance Settlement (December 2025). An amount of the EPR grant has been held in the earmarked reserve to bridge the gap of any shortfall.
- 4.4.6 Included in core resources are prior years gains and losses for council tax and business rates to/from the Collection Fund. When the budget for the year is set an estimate is made of business rates (NNDR1), this is revised as part of the following years return and again at the outturn for the year (NNDR3). The business rate adjustments are 'matched' by a transfer to/from the NNDR reserve as no gains are spent until realised and used for one off spend (with the exception of the £200K supporting General Fund services). Variations arose because:
- There was a significant adverse swing in business rates losses for 2023/24 (actual or NNDR 3) due a rating adjustment given by the valuation office which was significantly higher than expected. For note the actual loss was lower as the levy on gains reduced but this is paid to the government in the year it arose, (2023/24)
 - There was a reduction in business rate gains for 2024/25 of £359K, however the gains achieved were still £893K.
- 4.4.7 The projected 2024/25 council tax deficit on the collection fund for SBC, (the approved taxbase less the raised in year and provision for bad debt) was predicted at £196K, however the actual 2024/25 deficit came in at only a £36K loss, which means there is a corresponding credit back to the General Fund in 2026/27. Current estimates are included as part of the 2nd quarter monitoring report.

Collection Fund Core Resource movements	2025/26	2026/27	Total
2023/24 Business rate losses (para. 4.4.6)	£1,056,964	£0	£1,056,964
2024/25 Business rate losses (para 4.4.6)	£175,793	£183,637	£359,430
2024/25 Council Tax (surplus)/deficit (para 4.4.7)	£196,632	(£160,330)	£36,302
Total	£1,429,389	£23,307	£1,452,696

4.4.8 Council tax surplus and deficits tend to be much smaller as they not complicated by NNDR appeals and large revaluations. No assumption has been made in the MTFS for changes to 2025/26 gains and losses for business rates and council tax, this will be reviewed later in the year, but currently could be an additional £60K income in 2026/27.

4.5. The Balancing the Budget Target to Find

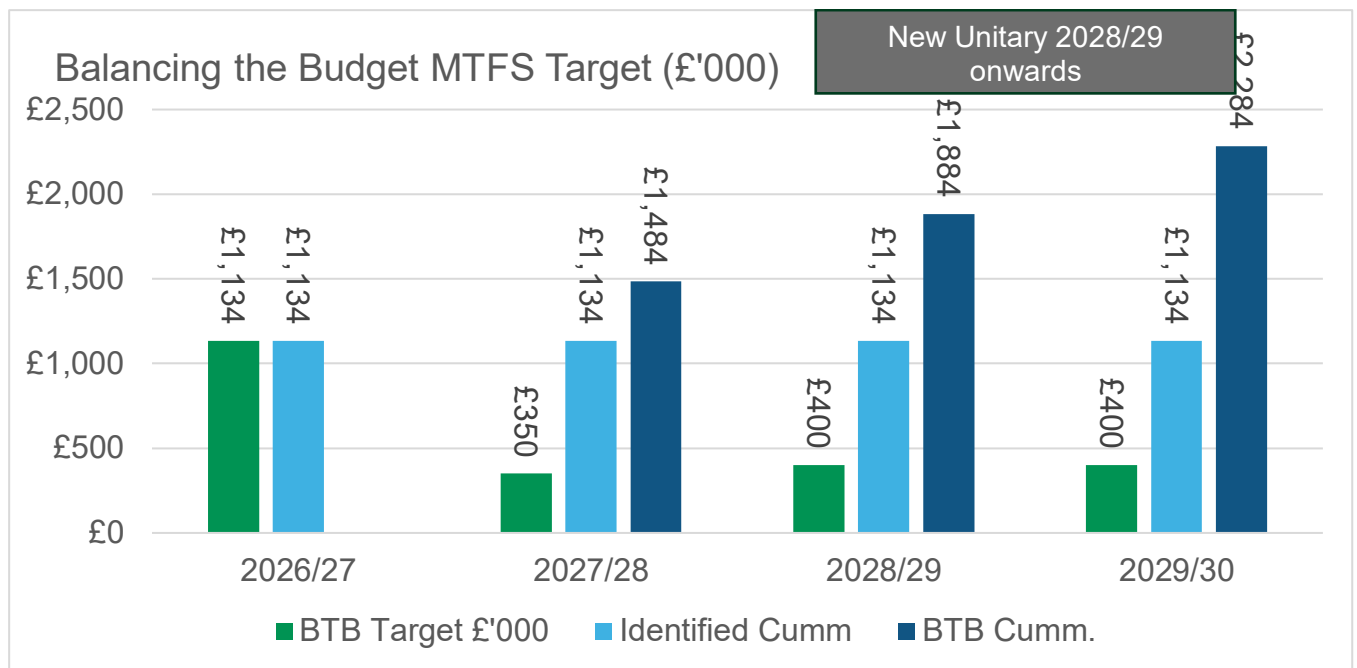
4.5.1 The graphic below summarises the Balancing the Budget (BTB) activity strands that the Council resources through the Business change team, Commercial Team and The Finance Team.



4.5.2 The BTB options are identified through a number of activities which are:

- Efficiency savings identified as part of budget monitoring
- Fees and Charges
- Co-operative Commercial and Insourcing activity
- Business Change activity including using digital solutions
- Star Chamber process
- Consultation with shared service partners

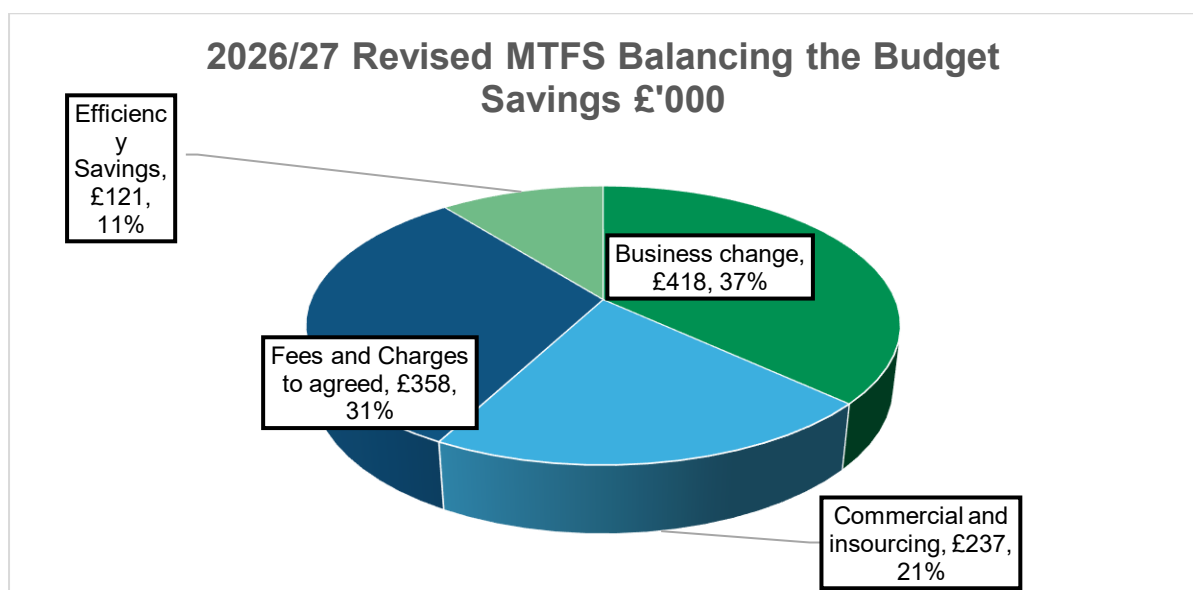
4.5.3 The MTFS (September 2025 Cabinet report) identified a General Fund four-year savings target of £2.284Million. For the following three years beyond 2026/27 there is a further £1.3Million to be found as set out below.



4.5.4 The level of savings for 2026/27 was based on the efficiencies, commercial and insourcing and business change and totalled £1.134Million in the September MTFS report. Since that date there has been a minor change due to:

- Phasing of taxi licence increases over two years (MTFS assumed £44K, October Cabinet £44K 2026/27 and £60K 2027/28)
- Phasing of Localities business restructure (MTFS assumed £156K 2026/27, revised to £147K 2026/27, £190K 2027/28).

4.5.5 This gives a revised total of £1.14Million of MTFS savings for 2026/27 as summarised below. Further information about the composition of the savings can be found in section 4.9 of the MTFS report to the September 2025 Cabinet.



4.6. Additional savings identified 2025/26 Onwards

- 4.6.1 The Senior Leadership Team ran a series of 'star chamber' meetings with Assistant Directors to identify 'Balancing the Budget' options using the BTB activity workstreams and additional General Fund options of £87,700 for 2026/27, £105,970 for 2027/28, rising to £132,370 in 2028/29 and are summarised in Appendix A and Appendix C has further information on advertising on the intranet and website BTB option. There is also a saving to the HRA of £23,640 rising to £50,920 in 2028/29.
- 4.6.2 Members should also note that a report will be published on the Cabinet agenda for December 2025 which proposes to revise the Council's Leisure Contract arrangement to an Agency agreement which will reduce the Council's costs by £110K per annum. This has no effect on the services provided to customers or the leisure providers responsibilities for managing the facilities. This is for note as the report has yet to be approved by the Cabinet and reviewed by Overview and Scrutiny but is included in the MTFS summary.
- 4.6.3 In addition to the savings identified in above and Appendix A, further income has been achieved via the Estates Commercial opportunity approved at the October Cabinet meeting which from 2027/28 will achieve a further £100K per year.
- 4.6.4 The total savings identified for 2026/27 onwards are summarised in the table below.

Balancing the Budget Savings Summary	2026/27	2027/28	2028/29
MTFS	£766,606	£839,616	£843,364
Fees & charges (October Cabinet)	£314,000	£314,000	£314,000
Taxi Licences (October Cabinet)	£33,000	£60,000	£60,000
Commercial Option (October Cabinet)	(£22,500)	£100,000	£100,000
Star Chamber	£87,700	£105,970	£132,370
December Cabinet report (for note)	£110,000	£110,000	£110,000
Total	£1,288,806	£1,529,586	£1,559,734

- 4.6.5 The lower level of savings required in future years beyond 2026/27 are reliant on the realisation of the Fair Funding settlement as set out in paragraph 4.4.2 and on inflation levels reducing beyond 2026/27. If this is the case the 2027/28 savings onwards set out in paragraph 4.5.3 can be achieved through fees and charges increases in the main.
- 4.6.6 In prior years and before fair funding there has been a need to find higher levels of savings and also to reduce services, but Members should note the funding three year settlement is during the time period when the new unitaries in Hertfordshire will be formed with the challenges of meeting the upfront costs of the process and the disaggregation of County Council budgets.

4.7. Growth for the General Fund 2026/27

- 4.7.1. The September 2025 MTFS assumed growth of £75K for 2026/27. Summarised in Appendix B are a small number of proposed growth bids which

include a one off bid of £50K for the Council's 80th Anniversary programme in 2026/27 and on-going growth bids of £95,140 and are summarised in Appendix B.

- 4.7.2. Members should note that initially event island had a proportion of Towns Fund revenue monies to fund events, if the programme as outlined in Appendix B is to continue a growth bid is required.
- 4.7.3. The growth bids are in excess of the £75K growth target, however savings identified are higher than in the September MTFS and General Fund balances are significantly above the minimum level required and are therefore recommended.
- 4.7.4. Once the Finance settlement is published there may be further scope to include growth in the 2026/27 General Fund budget, in particular there has been a significant shortfall in capital resources and therefore capital spend has been restricted. Officers are currently compiling capital bids for Members as part of the Revised Capital Strategy to be published in January 2026. AS a minimum part of the 2026/27 in year surplus of £706K could be utilised for this purpose.
- 4.7.5. Members should note that while there are surpluses projected in 2027/28 and 2028/29 (see paragraph 4.8.2) this reduces to £75K in 2029/30 which includes the impact of the borrowing for the Oval redevelopment.

4.8. Level of Balances required for General Fund

- 4.8.1. The September 2025 MTFS assumed that the minimum level of balances required would be £3.57Million, however this will need to be kept under review based on the risks set out in this report.

General Fund balances Minimum Level Assessment	2026/27 £Million
Amount to cover a 1.5% overrun in gross expenditure	£1.02
Amount to cover a 1.5% overrun in gross income	£0.85
Amount to cover pay award above the budgeted amount	£0.80
Amount to cover higher prices with higher than forecast inflation	£0.50
Amount to cover fee and charges losses through price fluctuation	£0.30
Amount to cover risk of higher LGR transition costs	£0.10
Total Estimated General Fund Reserves	£3.57

4.9. Medium Term Financial Strategy General Fund Summary

- 4.9.1. The MTFS modelling has been updated to reflect the contents of this report which are subject to Members approval in the report and are:
 - On-going growth of £95,140 as per paragraph 4.7.1.
 - One off growth of £50,000 as per paragraph 4.7.1.

- Total 2026/27 Balancing the Budget options of £1,288,806 as set out in paragraph 4.6.4.
- The pressures set out in paragraphs 4.1.3-4.1.4

General Fund balances £'000	2025/26	2026/27	2027/28	2028/29	2029/30
Opening Balance	(£6,506)	(£6,599)	(£7,305)	(£7,739)	(£8,193)
In Year	(£93)	(£706)	(£434)	(£454)	(£75)
Closing Balance	(£6,599)	(£7,305)	(£7,739)	(£8,193)	(£8,267)
MTFS (September) closing balance	(£6,550)	(£7,300)	(£7,574)	(£7,902)	(£7,887)
Variance	£49	£5	£164	£290	£381

4.9.2 The level of balances has reduced in the MTFS since the September MTFS report, largely due to the increase in projected inflation.

4.9.3 The most significant impact on future General Fund balance levels will be the finance settlement which will not be known until December as set out in paragraph 4.4.2. There are also anticipated changes to the consultation which are not yet known although some 'dampening' of the anticipated grant funding has been assumed for 2026/27 onwards.

4.10 Approach to Consultation

4.10.1 The Council consulted on the 2025/26 budget via an on-line form on the SBC's website the responses were a small sample of 30 so not statistically sound. The growth for apprentices was supported and the graffiti growth was only narrowly not supported.

2025/26 Budget Feedback	Yes	No
Stevenage Resident	87%	13%
Stevenage business owner	3%	97%
Agree to increase council tax by 3%	63%	37%
Pay more council tax for more services	43%	57%
Support Apprentice growth	70%	30%
Support graffiti growth	47%	53%
Support savings delivered through more digital and on-line	67%	33%
savings delivered from more commercial income	40%	60%

2025/26 Budget Feedback	Yes	No
Only cutting services if no other options available	67%	33%

4.10.2 The consultation asked respondents to comment on future areas to invest in and the following areas were identified in a free form text box, with Council responses in *italics* to the comments.

- Improving the Town Centre and parks and open spaces- *the Council has a regeneration programme for the Town Centre and work has started on the former Swingate site in 2024. The Council is working on both a Green Spaces and Trees & Woodland strategy which will be reported to cabinet in the summer of 2025. This will outline our approach to enhance our parks and open spaces going forward. The Council will also be spending an estimated £830K on parks and open spaces in 2025/26*
- Pavements cleaning generally and landscaping and maintaining the overall appearance of the streets across the town. –*Funding from the UK Shared Prosperity Fund has been utilised to undertake an enhanced cleansing routine of Stevenage’s neighbourhood centres and pathways over the last two years. The Council will also be spending £1.5Million in 2025/26 on street cleansing and litter picking.*
- Hedge and verge trimming to keep cycleways clear and accessible. - *The council is currently delivering a 10-year programmed Shrub Bed Improvement programme to remove old, tired, or operationally constrictive shrub beds to help keep pathways and cycleways clear and accessible.*
- Regeneration culture and leisure -*The Council has jointly invested in a JV with their Development Partner Mace to build new homes in the town centre and has consulted the public on a new leisure centre.*
- Solar panels to reduce energy costs. Improved bus service so residents are less reliant on cars.- *The Council has installed solar panels on refuse freighters and new buildings such as the bus interchange.*
- Council housing- *The Council is investing £51Million into existing and new homes in 2025/26*
- Town centre events - make the space more welcoming out of hours and provide a safer environment to encourage more evening venues- *The council has invested in ‘Events Island’ in the Town Centre and has a programme of events throughout the year.*
- more investment in digital logging/ online services -*The Council has a digital team and Transformation Plan to improve the on-line offer.*

4.10.3 The consultation also asked respondents what areas the council should make savings in the future:

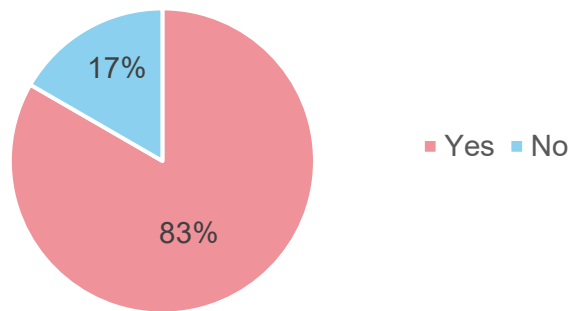
- High street- *The Council is working with businesses in the Indoor Market to transfer their services into the empty shopping units along*

the new Park Place development in the town centre. This will bring greater attention to local businesses in the council's high street. This builds on the new 'Event Island' space in the town centre, which has a busy event schedule throughout the coming year.

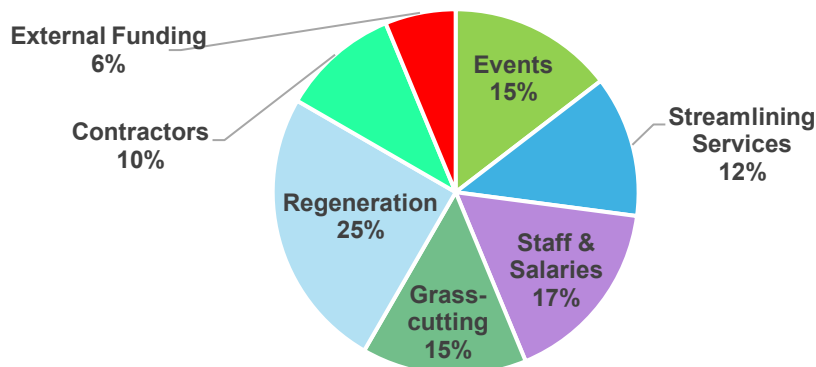
- *Repairs -Members approved a further £2Million spend on council home repairs in 2025/26.*
- *Council should use the staff they currently have to tackle the graffiti problem in the town and invest in more artwork in underpasses to prevent it- The Council successfully tested an enhanced Graffiti response, utilising funding from the UK Shared Prosperity Fund over the last year. This growth request establishes that level of response within core budgets going forward rather than relying on time limited external funding. The Council has a programme of artwork installations in underpasses and buildings as part of the Councils Towns Fund works.*
- *Black bin collection once a month- In setting the frequency of residual waste collections, Council's need to consider a range of factors including the size of the bin, the number of occupants and storage facilities, for example, the Council wants to increase recycling rates and reduce residual waste volumes going forwards, and will be looking to improve recycling facilities in a number of locations, including flat blocks.*
- *Stop investing in car infrastructure – The Council has invested in the tevenage cycle ways through the new Arts & Heritage trail as part of its ambitious Regeneration programme of the town centre. This reemphasises the council's commitment and investment into alternative travel options in the town.*
- *Outdated and incompatible ICT systems The Council along with East Herts Authority have jointly invested in the shared ICT service in 2024/25 & 2025/26 to ensure that both Councils have fit for purpose software.*
- *Staffing and pensions -staff pay is governed by the collective pay agreements as agreed with the unions.*

4.10.4 Development of the Councils 2024/25 Corporate Plan included a period of public and stakeholder engagement and consultation to include ascertaining if:

- *Agree that Balancing the Budget should be a priority so that the Council can remain financially resilient and continue to deliver key services as set out in the Corporate Plan?*
- *If no, is the alternative is to reduce services and provide less?*
- *If yes, what should the Council stop doing to generate £1.23Million savings?*
- *83% of respondents to the consultation agreed that Balancing the Budget should be a priority:*



4.10.5 All survey respondents were asked for financial savings suggestions. The responses can be categorised into seven themes:



- The Transforming Our Town programme will attract new businesses to the area which would increase business rate revenue and car parking income (25%). – *The Council has opened a new Multi Storey car park and is working with partners to bring new business into the town, also improving the business rates collected and retained by the Council.*
- Reduce Staff and Councillor salaries (17%). – *The Council's Member allowances are reviewed and agreed by an Independent Remuneration Panel and staff pay is governed by the collective pay agreements as agreed with the unions.*
- The Council should consider selective grass-cutting allowing green spaces to grow wilder (within safe reasons) and reduce maintenance costs for grass cutting etc. (15%) – *The Council has already implemented this as a measure with an associated cost reduction.*
- Streamlining services (12%) – *The Council has a business change programme which is targeted at streamlining processes and reducing costs.*
- Reduce use of Contractors (10%) – *The Council has a Commercial and Insourcing Strategy which includes reviewing contracts to see if they can be brought back in-house where deemed viable to do so at the point of re-tendering.*
- Reducing or cancelling events such as the November Fireworks Display, or those held on the Event Island and the Stevenage Museum. (15%) – *the Council has been looking at how it manages and delivers future event activity with a view to driving out efficiencies where possible.*

- Seeking external funding to plug the financial gap (6%). *The Council has actively sought external funding and has received circa £80Million of revenue and capital funding over the last few years.*

Resident Survey (2021)

4.10.6 The 2021/22 Residents survey shows that resident's preferences with regards to achieving budget savings are firstly to reduce costs through the provision of more online services. This was ranked the highest (out of five options in 2021 and 2017) with 41%. This first rate ranking has increased from 2017 and supports the Transformation programme as a method to reduce costs and improve efficiency / productivity.

Please tell us your order of preference for each of the following options by ordering them 1 to 5	2021 rank	2017 rank	1st
Reduce time and money spent on paperwork by interacting with more residents and customers online	1	1	41%
Increase income from fees and chargeable services, to keep the council's element of Council Tax as low as possible	2	3	24%
Spend less by reducing or cutting the services that you tell us are not a priority	3	2	16%
Make money by selling more of our services to residents and customers	4	5	9%
Increase our element of Council Tax (for example from 51p per day to 55p per day)	5	4	10%

4.10.7 The 2021 residents' survey asked residents whether the council tax represented value for money. While strongly disagree has increased (from 7% to 15%), overall 52% up from 46% of residents agree it represents value for money as shown in the chart below.

Responses		2021	2017	2015	2013	2011
To what extent do you agree or disagree that the Council Tax paid to Stevenage Borough Council provides good value for money?	Strongly agree	16%	10%	7%	6%	6%
	Tend to agree	36%	36%	39%	39%	40%
	Neither	18%	30%	30%	35%	33%
	Tend to disagree	10%	17%	18%	17%	16%
	Strongly disagree	15%	7%	6%	5%	5%

	Responses	2021	2017	2015	2013	2011
	Don't know (DNRO)	4%				
	Summary: Agree	52%	46%	46%	45%	46%
	Summary: Disagree	26%	24%	24%	22%	21%

4.10.8 The Council has commissioned a new Residents survey in 2025/26 the results of which will be shared with Members in early 2026.

4.10.9 The CFO has responded to the Fair Funding Consultation broadly supporting the proposals and a number of further questions were asked with the response shown below.

Question	Consultation Response
Do you agree with the government's plans to simplify the grant landscape?	SBC agrees as it will reduce the effort of grant chasing and allows LA's to use the funding most appropriately at a local level. There is some concern about combining upper and lower tier grants such as the DHP which is used to support those stay in their accommodation and this grant is being combined with an upper tier grant so concern over its distribution methodology going forward
What measures could the government use to incentivise local authorities to specifically support affordable and sub-market housing?:	Lower borrowing for HRA's who now have significantly higher borrowing costs even with the enhanced rates. When the self financing deal was done SBC's average borrowing rate was 3.42% borrowing and as at August 25 year money is 5.79% (including the preferential rate -0.6%) which is a significant burden for HRA's So for HRA and regeneration projects including residential, lower borrowing rates are required. The Council has benefited from Homes England funding for 2 schemes in Stevenage Brent Court and Oval and more of that would be welcome Writing off of some self financing debt would allow affordable headroom to build, to date SBC has built over 500 homes but could do with less historic debt lower borrowing rates as the increased cost of building safety is reducing the ability to build more homes through borrowing combined with higher interest rates

Question	Consultation Response
Are there any further flexibilities that you think could support local decision-making during the transitional period?	Council's really need early certainty we are all interpreting the data and models produce different answers which means knowing in December is too late for setting a balanced budget for the next year. In addition the 3 year period crosses LGR year 1 timetable and under current funding splitting the Counties funding between different options is difficult and may lead to different outcomes based on current funding assumptions. This because it is difficult to interpret and model and different sector consultants have different funding outcomes and then translating that to different unitary LA's overlays another complexity
Do you agree that the government should work to reduce unnecessary or disproportionate burden created by statutory duties?	The current format of the Statement of Accounts it provides zero transparency to residents and it costs the taxpayer circa £250K per year that's the equivalent of over 3% on council tax. The simplification has been promised and hasn't happened, in addition Councils have to get valuers to value assets like swimming pools and offices that are held for operational use and then the value is disputed by external audit valuers and then the annual audit bill is increased

5. IMPLICATIONS

5.1. Financial Implications

- 5.1.1. The report deals with Council finances and as such all implications are contained in the main body of the report.

5.2. Legal Implications

- 5.2.1. The Council is required to set a balanced budget each year. The Local Government Finance Act 1992 requires the Council to estimate revenue expenditure and income for the forthcoming year from all sources, together with contributions from reserves, in order to determine a net budget requirement to be met by government grant and council tax.

5.3. Policy Implications

- 5.3.1. The report deals with Council policy and as such all implications are contained in the main body of the report.

5.4. Staffing and Accommodation Implication

- 5.4.1. There are changes to staffing budgets in the 2026/27 BTB options, but the posts identified in the CSC are filled with temporary arrangements and the Regeneration post is vacant.
- 5.4.2. There is also growth relating to staffing in parking and procurement as set out in Appendix B.

5.5. Equal Opportunities Implications

- 5.5.1. In carrying out or changing its functions (including those relating to the provision of services and the employment of staff) the Council must comply with the Equality Act 2010 and in particular section 149 which is the Public Sector Equality Duty. The Council has a statutory obligation to comply with the requirements of The Act, demonstrating that as part of the decision-making process, due regard has been given to the need to:
- Remove discrimination, harassment, victimisation and any other conduct that its unlawful under this Act
 - Promote equal opportunities between people who share a protected characteristic and those who do not
 - Encourage good relations between people who share a protected characteristic and those who do not.
- 5.5.2. These duties are non-delegable and must be considered by Council when setting the Budget in February 2026.

5.6. Risk Implications

- 5.6.1. There are risk implications to setting a prudent General Fund budget if the Balancing the Budget options identified in the report are not achieved and crucially if future options are not found to meet the targets outlined in the report.
- 5.6.2. There are a number of risks that have been identified and these are set out in the report and it should be noted that further detail of the financial settlement is required to identify whether increased pressures from tax changes are fully compensated and the individual level of funding for Stevenage Borough Council.

5.7. Climate Change Implications

- 5.7.1. The Council declared a climate change emergency at the June 2019 Council meeting with a resolution to work towards a target of achieving net zero emissions by 2030. The Transformation programme and the digital on-line agenda will contribute to reducing the Councils carbon footprint.

5.8 Local Government Reorganisation

- 5.8.1 The MTFS and BTB savings target and three year funding settlement are within the timetable for LGR as summarised in para.3.6.
- 5.8.2 Section 24 of the Local Government and Public Involvement in Health Act 2007 provides the Secretary of State with powers to control financial decisions made by local authorities that are due to be abolished or reorganised under a structural changes order. Under this provision, the Secretary of State may issue a direction that prevents a relevant authority from doing any of the following without written consents:-
- a) dispose of any land if the consideration for the disposal exceeds £100,000;
 - b) enter into any capital contract-

under which the consideration payable by the relevant authority exceeds £1,000,000; or

which includes a term allowing the consideration payable by the relevant authority to be varied;

c) enter into any non-capital contract under which the consideration payable by the relevant authority exceeds £100,000, where-

(i) the period of the contract extends beyond date to be determined ; or

(ii) under the terms of the contract, that period may be extended beyond that date

5.8.3 The direction can specify that the consent must be obtained from the Secretary of State or a designated person of an authority (e.g. a shadow executive). The timing of the direction will be determined by the Secretary of State but will usually be linked to the issuing of the structural change order, the indicative timeframe of which for Hertfordshire is autumn 2026.

BACKGROUND DOCUMENTS

BD1 General Fund Medium Term Financial Strategy (2025/26-2029/30)

APPENDICES

Appendix A Balancing the Budget options

Appendix B Growth Options

Appendix C Advertising BTB option summarised in Appendix A