



Southend-on-Sea
City Council

Medium Term Financial Strategy 2026/27 to 2030/31



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1 Introduction

1.1 Background

Southend-on-Sea City Council (SCC), along with most local authorities across the country, continues to face significant challenges in providing essential services to meet the needs of residents within the level of resources it has at its disposal. This is exacerbated by the challenging operating environment combined with increasing and more complex local service demand, particularly for core statutory social care service requirements for our most vulnerable children, adults and families across our city. The Comprehensive Spending Review 2026/27 – 2028/29 announced as part of the Finance Settlement by the Government does provide more certainty for financial planning purposes but equally confirms that the scale of financial challenges across the medium term remain significant.

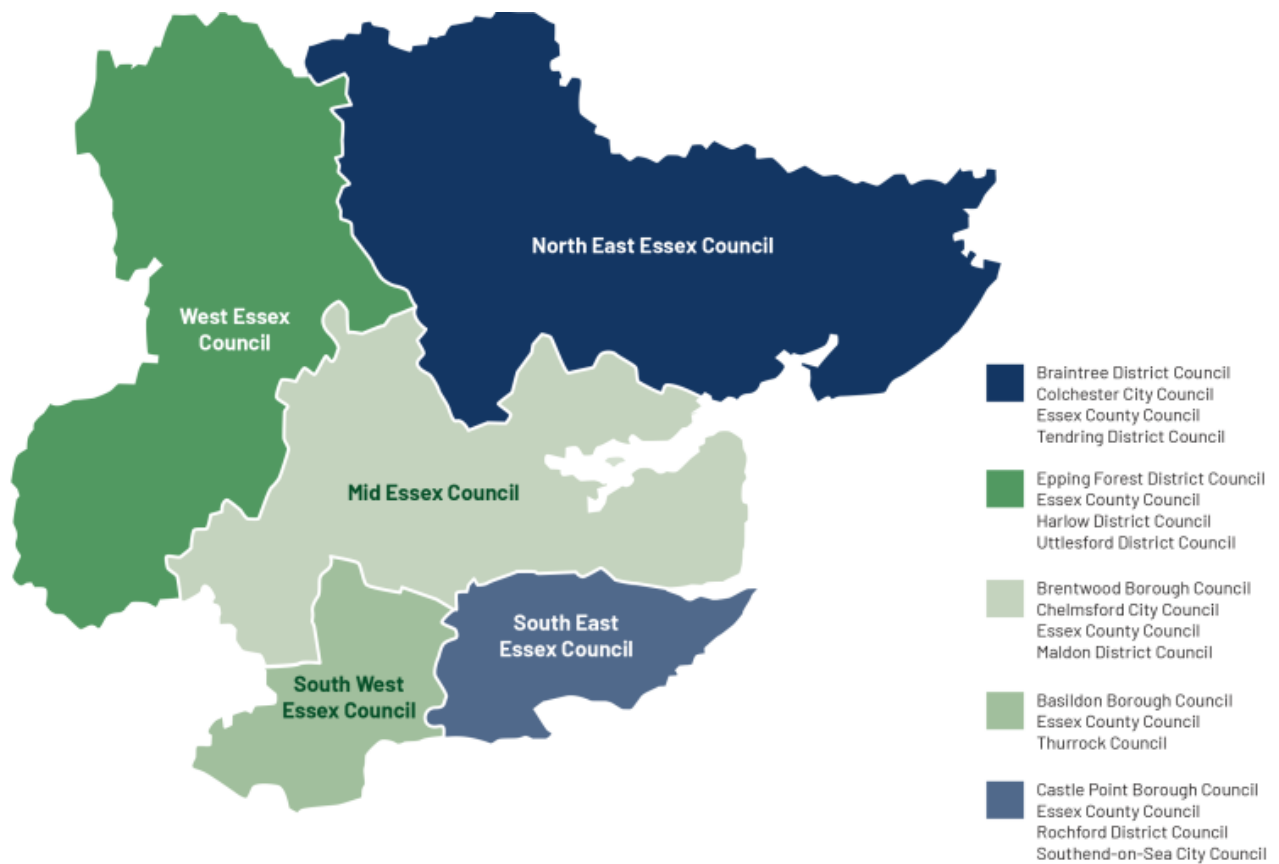
It is within this context that the Council has comprehensively updated its Medium Term Financial Strategy (MTFS) for 2026/27 – 2030/31. This strategy provides an integrated view of the whole of the Council's finances and priority investment plans over the medium term. It outlines the Council's ambition, approach, desire, and commitment to do everything it can to plan effectively for the future and invest in priorities that make a real positive difference to residents, businesses, and visitors. This is predicated on ensuring that the Council remains financially sustainable and resilient for the future.

Local Government Reorganisation (LGR)

The Government's decision on 25 March 2026 to create five new unitary councils for Greater Essex (Figure 1) will replace the current system of 15 councils. For this council, the decision means that a new unitary council will be formed across Southend-on-Sea, Castle Point and Rochford in April 2028. As a council we have supported and led the five unitary authority proposal and so naturally, we are pleased by this Government decision, which is still subject to parliamentary approval. This represents a significant structural change and will have important financial, operational and strategic implications for SCC over the medium term.

Local Government Reorganisation (LGR) will now mean that SCC will work with Castle Point Borough Council, Rochford District Council and Essex County Council, on a detailed implementation plan to form a new unitary council in South East Essex. Under the Government's timetable, the new unitary authorities will go live in April 2028, with shadow elections planned for May 2027.

Figure 1 Map of the New Five Unitary Authority Model



SCC will therefore approach LGR as both a **financial risk to be actively managed** and a **strategic opportunity to improve long-term financial sustainability for the new South East Essex Council**. A clear focus will be maintained on ensuring that:

- the opening financial position of the new authority is robust and well understood.
- transition costs are controlled and proportionate.
- opportunities for early alignment, cost avoidance and productivity improvement are maximised.
- financial implications are fully considered in all key decisions throughout the transition period.

Further detail on the financial implications of LGR, including cost estimates, funding strategy and benefits realisation, will be developed as the programme progresses and greater certainty emerges following the Government's final decision. The Council has refreshed this Medium Term Financial Strategy within this context and confirmed its core financial management guiding principles during the transition to creating a new Unitary Authority for South East Essex. 2026/27 and 2027/28 will be a period of unprecedented change and challenge for local government across Greater Essex as the transition to the new five unitary authority model is established.

1.2 A Sector Under Continued Pressure

The national operating environment, particularly for upper tier local authorities continues to be financially challenging with numerous councils having announced or given warnings of financial distress over the last 3 years. Regular updates have been provided to Cabinet in each of Southend-on-Sea's financial performance reports for the periods to the end of July 2025 and September 2025. The latest position as at November 2025 was considered by Cabinet at its meeting on 19 January 2026.

The unprecedented levels of additional demand and huge increases in costs of maintaining statutory service provision over the last few years, particularly for support and intervention for vulnerable children and adults has been at such a pace that discretionary universal services have been continually squeezed and, in some other local authority areas, have been forced to be significantly reduced to ensure some local authorities remain financially viable. The operating environment, unavoidable cost pressures and complexity of local service demand for local government all remain particularly challenging.

Within this context, local authorities continue to be faced with some very tough choices and have needed to embrace and implement significant further changes to their local service offer including digitalisation and automation to capitalise on the efficiencies and savings that can be generated. There remains huge pressure on local authorities to try to continue to meet the essential needs of local residents whilst balancing major affordability and future sustainability concerns. Most local authorities are seriously considering comprehensive programmes of change to get to a financially sustainable operating cost base whilst at the same time managing increasing and ever-changing complexity of local demand for Council services.

1.3 Local Impact – Finance Settlement 2026/27

The Ministry of Housing, Communities and Local Government (MHCLG) published its Local Government Finance Policy Statement 2026/27 to 2028/29 on 20 November 2025. This was followed by the Autumn Statement 2025, delivered by the Chancellor on 26 November 2025. The Provisional Local Government Finance Settlement was published on 17 December 2025 and the detail it contained was the first time the various reforms were seen at an individual local authority level. The Final Local Government Finance Settlement was approved by the House of Commons on 11 February 2026, this contained very limited changes from the provisional settlement, the most significant being a recalculation of the 2025/26 base line funding levels as a result of an adjustment to the treatment of Business Rates Pooling benefits.

The '**Core Spending Power**' of a local authority is a phrase that is now often used by Central Government. Core Spending Power (CSP) includes revenue grant funding provided through the finance settlement, locally retained business rates and council tax income. In simple terms, CSP is designed to show how much money councils can spend on day-to-day services from their main general-fund revenue sources. For councils, CSP represents the headline figure for the resources they are expected to rely on when planning budgets, though it does not include all funding streams Local Authorities receive (Examples include Dedicated Schools Grant, Public Health Grant, capital funding etc).

The headlines announced within the finance settlement indicate that the average national increase in 'Core Spending Power' for local authorities over the next three years will be **6.1% in 2026/27**, 4.3% in 2027/28 and 4.4% in 2028/29.

The wide-ranging funding reforms have meant it has been necessary for the Ministry of Housing, Communities and Local Government (MHCLG) to recalculate the CSP between 2015/16 and 2025/26 for England and all local authorities so that they can be comparable with the new 2026/27 funding allocations. When setting the previous year's budget Southend-on-Sea's CSP for 2025/26 was £200.6M but the recalculated value is **£208.2M**.

MHCLG have calculated **Southend-on-Sea City Council's CSP for 2026/27 to be £218.9M**, an increase of **5.1%** compared to the adjusted 2025/26 value. The published CSP increase for Southend-on-Sea equates to 3.0% in 2027/28 and 3.4% in 2028/29.

The estimated CSP calculations contains several key assumptions:

- all local authorities' council tax base will increase by **1%** each year of the settlement.
- all local authorities will increase their council tax levels by the maximum amount allowed without the need for a local referendum. For upper tier authorities like SCC this equates to an annual increase in council tax of 4.99% (2.99% General Fund, 2% Adult Social Care).
- all local authorities will have a council tax collection rate of 100%.

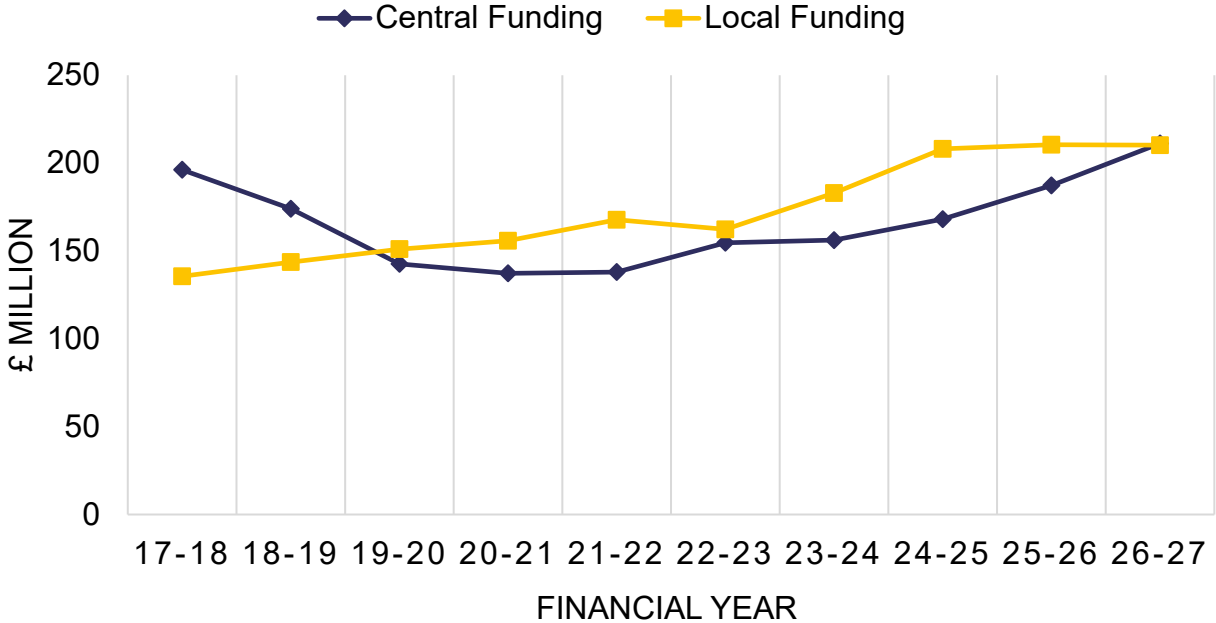
These key national assumptions pose additional risks and challenges for local authorities. Locally the council tax base for Southend-on-Sea may not increase by 1% each year of the CSR, our Medium Term Financial Strategy assumes a growth level of **0.5%** each year. A collection rate of 100% is unlikely, Southend-on-Sea City Council performs strongly and benchmarks favourably in terms of debt collection, but our ambitious collection rate target is set at **97.5% each year**.

The direct impact for Southend-on-Sea for 2026/27 is broadly in-line with our local financial assumptions. The lower provisional increases in our CSP for 2027/28 and 2028/29, together with the risks associated with Government's assumptions around council tax income, represents a significant challenge for the future.

Within this context it remains vital to reassess, understand and take responsibility for our financial future. We must remain proactive in the delivery of our agreed corporate plan priorities, evaluate the local economic situation, and strive to provide the best possible value for money services to our local residents, businesses and visitors. Our financial sustainability can only be enhanced by embracing the City's economic potential, growing our local tax bases and by increasing our income generating and commercial capabilities.

Figure 2 illustrates that for SCC the level of funding available for local authority services is equally reliant on locally generated sources and grants from central government. This is largely as a result of the Fair Funding Review and Business Rates Reset which have occurred in 2026/27. Service grants which were previously allocated later in the financial year have been included in the Local Government Provisional Finance Settlement as new consolidated grants. Although this is positive from a planning perspective there is some ringfencing and notional allocation caveats within these.

Figure 2 Trend from central to local funding sources.



SCC is currently one of six unitary authorities in the East of England, responsible for delivering over 500 services and with a current estimated population of around 185,000 residents living within over 78,000 households. The Council’s turnover is around £500m and our resources are well-managed through our budgetary and financial monitoring framework.

The MTFs has been developed on the understanding of where SCC currently is and where it wants to get to. It has clear ambitions that have been set in conjunction with residents, businesses, and partners, and has a commitment to deliver efficient value for money services, a desire to increasingly target resources towards the delivery of priority outcomes and to remain a financially stable, well run, and resilient organisation. LGR will have a significant impact, please see the regional drivers in section 2.3.

SCC’s values align with our vision and shape how we work together, make decisions and serve our community. Our value statements are as follows:

- **Collaborative** – we collaborate effectively, building strong relationships to drive positive change
- **Honest** – we act with integrity by holding ourselves to account and building trust and respect

- **Inclusive** – we put people at the heart of everything we do, embracing our city’s many perspectives
- **Proud** – we take pride in the work that we do

Proposals within the MTFS build on the SCC’s ability to work with residents and partners to design services that meet local needs. The agreed set of core values and behaviours continue to shape our approach to decision making and service delivery.

SCC has been led by a Joint Administration (Labour, Liberal Democrats and Independent political parties) since May 2024 supported by a professional executive leadership team. Our overall financial strategy arrangements have been shaped and influenced by CIPFA’s Financial Management Code¹ which summarised a lot of the good work and appropriate standards that were already evident within the local authority.

The MTFS attempts to provide an integrated view of the whole of SCC’s finances and business outlook over the next five years. It shows how SCC intends to align its financial resources to support the implementation of our corporate plan, in line with the vision for the City, enhancing delivery of our priority outcomes. The MTFS will be refreshed on an annual basis, in recognition that in the current environment the further any financial strategy looks to the future, the more uncertain it becomes. This is particularly pertinent given the pending LGR of Greater Essex.

The MTFS is SCC’s key financial planning document which informs business and resource planning. It clearly shows how investment and spending is prioritised and balanced against available resources. It will identify any budget gaps in the medium term to allow SCC time to address them in a considered and planned way.

Despite the current challenges, SCC is determined to build on the solid financial foundation that it has worked so hard to create locally. By also continuing to demonstrate strong leadership, collaboration, and engagement SCC wants to remain proactive, and with the support of its communities, help shape the future destiny of Southend-on-Sea.

It really has been an unprecedented period in recent history requiring some tough national and local choices which will inevitably result in difficult decisions to be made on future priorities, particularly around non-statutory service levels over the medium-term. The combination of current economic factors will directly impact all public services, local businesses, and residents, putting more pressure on local authority budgets and household incomes.

¹ CIPFA - Financial Management Code, published October 2019. Full compliance with the Code was mandatory from the 2021/22 financial year.

1.4 The Partnership Vision for the City, Southend-on-Sea City Council's Vision and Corporate Plan

SCC has worked with partners through the Southend City Partnership to develop a new vision for the city, owned by local partners, businesses, organisations, residents and communities. The Southend City Vision was launched on 1 March 2025 and provides the opportunity to transform Southend-on-Sea into a thriving, inclusive and resilient place over the next decade.

Southend: Our City, Our Future

Southend-on-Sea is a vibrant, welcoming and well-connected coastal city brimming with opportunities, seamlessly blending its rich heritage with a contemporary, creative outlook.

Together, we are creating a city that not only meets the needs of today's residents but also sparks imagination, fosters creativity and encourages entrepreneurship inspiring future generations to live, learn, work, and visit here.

Southend City is a place where children, families and people of all ages thrive and feel empowered to contribute to a brighter, sustainable future.

This vision reflects the shared aspirations and priorities of our diverse community, including residents, workers, business owners, visitors, and students.

The Southend City Vision is not owned by any one organisation. Its strength and long-term sustainability derive from the collective ownership and commitment to the Vision by the Southend City Partnership members. Dedicated efforts from the Partnership and everyone engaged with our city are driving implementation of the vision and action.

In 2024, the Council created a vision statement that sets out a compelling future for the organisation that everyone can get behind. Our vision is as follows:

At Southend-on-Sea City Council, we are proud to be part of a modern, vibrant coastal city that values its heritage.

We listen, with our city's many voices shaping what we do. We have the confidence to innovate, embrace connection and seek opportunity, and are building a sustainable future together.

SCC's updated Corporate Plan 2024/28 supports the delivery of its vision. The corporate plan is the principal corporate strategy of the Council and has heavily influenced SCC's investment priorities for 2026/27 to 2030/31. It sets out the direction for our work and our primary role in delivering good quality local government services in the city.

The corporate plan aims to:

- provide clarity and direction in a four-year business plan
- ensure efficient use of resources
- provide a way of measuring success
- support effective decision-making
- coordinate activities
- motivate and guide employees
- provide a helpful narrative, knitting all SCC's work together in a way that makes sense to residents, communities and stakeholders.

The corporate plan outlines our areas of focus for the city and organisation in four overarching priorities:

- Proud and prosperous
- Safe, clean and green
- Caring with a good quality of life for all
- Led by a transformative, responsive council

Under each priority there are several outcomes we want to achieve; the actions we will take to deliver them and how we will manage and measure performance. These sit within the framework of the Corporate Performance Management report and Corporate Plan Action Plan.

To reflect these aspirations and to support delivery of the early phases of activities to achieve better outcomes for Southend's residents and communities, the Council for 2026/27 is continuing to try and develop a longer-term view of the use of its resources and financial planning arrangements. Our commitment remains to focus on supporting the local economy and the health and wellbeing of our most vulnerable residents and where we reasonably can, provide help to vulnerable residents struggling to afford cost of living expenses.

Our approach enhances the profiling of investment and supports effective prioritisation of activities. It will also enable improved consideration of major regeneration plans that span more than one financial year from both a revenue and capital perspective. These arrangements have now been embedded since 2020/21 and have become the key driver behind integrating both revenue and capital investment plans into a single focus and report with greater emphasis on the medium term.

Local Government still faces huge challenges in terms of continuing increases in demand and local expectations – Southend-on-Sea is no exception, but SCC is determined to do everything it can to plan effectively for the future and invest in priorities that make a real positive difference to Southend's residents, businesses, and visitors.

The intention has been to target scarce resources to the agreed priorities within SCC's corporate plan within the context of our vision, provide support for our most vulnerable residents, respond positively to challenges in our local economy, and manage the impact of inflation and economic pressures as carefully as possible whilst coping with unprecedented levels of local demand pressures across social care. It is a very difficult combination of challenges to navigate and respond to, whilst also making sure that SCC lives within its means and remains a financially sustainable organisation.

1.5 Implementing the ambition and transforming service delivery arrangements

Transformation Strategy and Delivery Programme

The overall level of net cost reduction required by SCC to bridge a medium to long term deficit by 2030/31 requires a programme of work that not only supports the development of net cost reduction and transformation opportunities at a service level, but that also considers how these opportunities can be integrated into a renewed, sustainable, operating model.

The coming 2-year period will represent the most significant and intense period of change and transformation SCC has ever experienced. It first became a Unitary Authority in 1998. The drivers of the change to come are equally externally and internally driven, and the range of potential future regional and local changes and scenarios that may play-out are significant. This creates the clear need for SCC to think and plan strategically and deliberately about the transformational changes that it will need to implement, and to ensure that those changes create the maximum potential scope for local improvement and the significant transformational potential underpinning Devolution and LGR.

SCC's Transformation Strategy and delivery programme aims to improve service efficiency, productivity and value for money, whilst also supporting the delivery of financial sustainability over the medium to long term. The Strategy acts as a convening and co-ordinating strategy setting out clearly what organisation we aim to be – but also how SCC's key change plans in digital, estates, assets, people, and service innovation deliver a significantly accelerated whole-organisation change.

In the last quarter of 2025/26 three 'kickstarter' projects identified the baseline and diagnostic for the 2026/27 Transformation programme development:

- **Third Party Spend** - a detailed analysis of all external supplier contracts and expenditures to identify opportunities for cost optimisation and value enhancement.
- **Activity Analysis** - a comprehensive baselining of activity across the organisation, benchmarking against others and creating the foundational baseline for the wider transformation strategy.
- **Zero Based Budgeting** - a comprehensive review to re-evaluate a strategic set of service area's spend from a zero-base, ensuring every cost is justified and aligned with strategic priorities.

Recommendations from these projects will form the basis of the new transformation projects for the coming year. This will be in addition to the transformation projects already in delivery - One Council (service redesign), Data Transformation, Estates, Children's Services Commissioning, My Southend (resident access), and Business World (internal corporate systems).

The transformation programme is overseen by the Corporate Leadership Team (CLT) Transformation Board and is an oversight component of the Policy & Resources Scrutiny workplan.

1.6 Aims and Purpose of the Medium Term Financial Strategy (MTFS)

In the context of the current local government sector-wide challenges and our local ambitions for Southend-on-Sea, the purpose of the MTFS is to try and provide a clear strategic framework and encourage a forward-looking approach to support medium term financial resilience and longer-term sustainability. The intention has been to target scarce resources to the agreed priorities within SCC's corporate plan within the context of the overall vision for Southend-on-Sea, provide support for our most vulnerable residents, respond positively to the challenges within our local economy, manage the legacy impact of inflation as carefully as possible whilst coping with increasing levels of local demand pressures across our core social care services.

Success will depend on how the Council manages and navigates this very difficult combination of challenges, whilst also ensuring that SCC lives within its means and remains a financially sustainable organisation. The strategy will aid robust and methodical planning as it forecasts SCC's financial position, considering known pressures, highlighting major issues affecting SCC's finances, including international, national, regional, and local factors.

It helps SCC to respond, in a considered manner, to pressures and changes caused by many internal and external influences. This is particularly important during a period when SCC still faces unprecedented challenges and uncertainty. The MTFS recognises the key role that financial resources play in the future delivery of services and in enabling the effective planning, management and delivery of priorities that contribute to the outcomes that have been included within the vision for the city.

The strategy concentrates on the key principles that will provide a strong and sustainable direction for the medium term. An overarching MTFS is not only good practice but is required to provide the strategic financial framework for the authority at a time of considerable pressure and change. It will be needed to help to navigate the route for the organisation and local area to come through the current economic circumstances and service demand challenges stronger, deliver key priorities and ongoing efficiency gains, provide closer budget scrutiny, effective management of financial pressures, national policy changes or political change.

The MTFS takes a holistic view of all prevalent issues and requirements so that it is realistic and reduces the risk of a significant budget gap occurring late in the budget setting process. It includes revenue and capital expenditure and income for the General Fund and the Housing Revenue Account, reserves, financing of capital, treasury management and partnerships. This is to ensure that SCC sets a comprehensive, affordable, and sustainable budget. The CIPFA Financial Management Code has been compulsory since 2021/22 and having a viable and robust MTFS is a minimum requirement.

The key overriding aim of the MTFS is therefore: ***To provide a financial framework within which financial stability can be achieved and sustained in the medium term to deliver Southend-on-Sea City Council's key strategic outcomes, priorities, and sustainable services.***

The parameters set by the five-year planning period of the MTFS are used to inform the development of the budgets for the General Fund, Housing Revenue Account, and the capital investment programme for the first year of that planning period. This is to make sure that, in setting the budget, decisions are not taken that could create problems in future years and that the financial consequences of those decisions are sustainable and fully understood.

The MTFS is crucial to the setting of a robust budget by considering the likely effect of identified budget pressures and the associated risks materialising. It facilitates the modelling of the impact of different planning assumptions and scenarios on the budget gap to inform decision-making and provides greater confidence that the budget is both affordable and realistic.

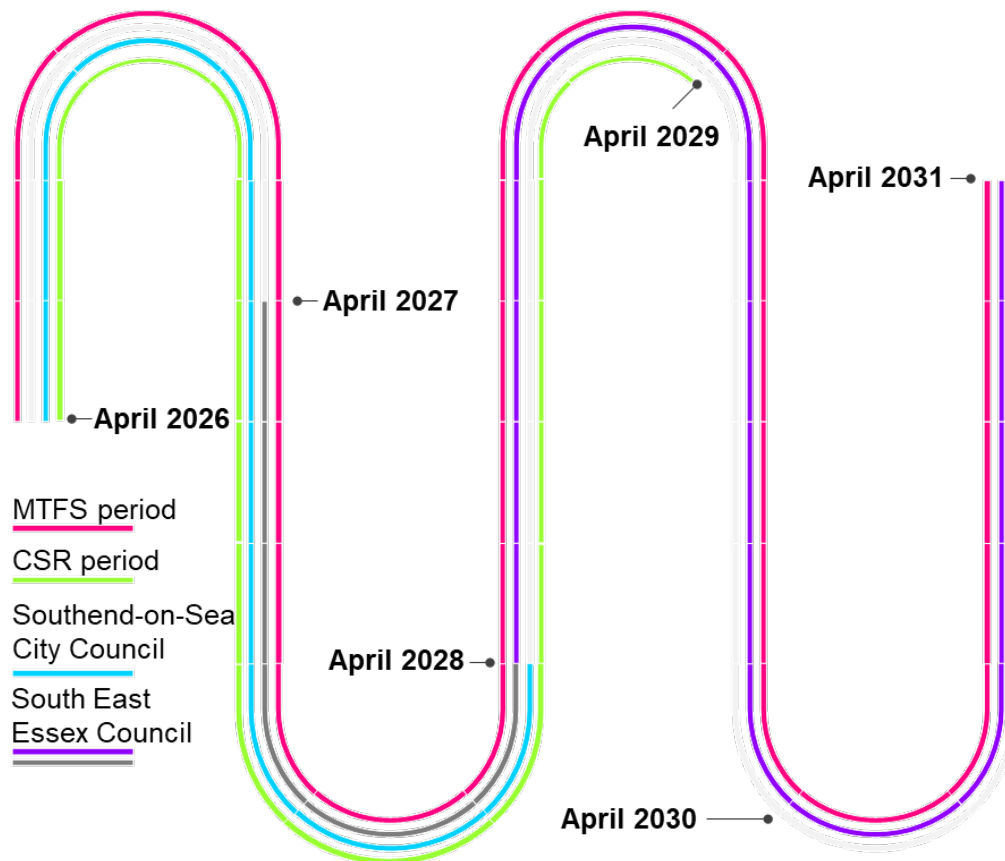
Given these uncertain and challenging times, the MTFS should be viewed as the Council's provisional assessment based on the best knowledge and intelligence currently available, rather than cast iron accurate medium-term forecasts.

This MTFS covers a period of five years, however the LGR announcement on 25 March 2026 means that from April 2028 SCC will be replaced by a new South East Essex Council. Despite this, it is essential that SCC continues to make decisions which are financially sustainable in the short, medium and long-term.

The Comprehensive Spending Review (CSR) covers a three-year period, meaning the final year covers the first-year of the new unitary authority. The Government have already made the decision that they will not be rerunning the funding formulas to calculate the funding for new unitary authorities. Instead, the individual funding allocations for the existing unitary and district authorities will be combined plus a proportion of any County Council allocations.

Figure 3 is a visual representation of the overlapping periods outlined here.

Figure 3 Overlapping policy and LGR periods



1.7 Annual Revenue Budget Setting

Our approach to budget development starts with the approved budget from the previous year and then proposed changes are considered, with challenge, advice and support being provided by Finance Business Partners for each service area. Detailed budget development work is undertaken with individual budget holders within Service Directorates and their respective leadership teams.

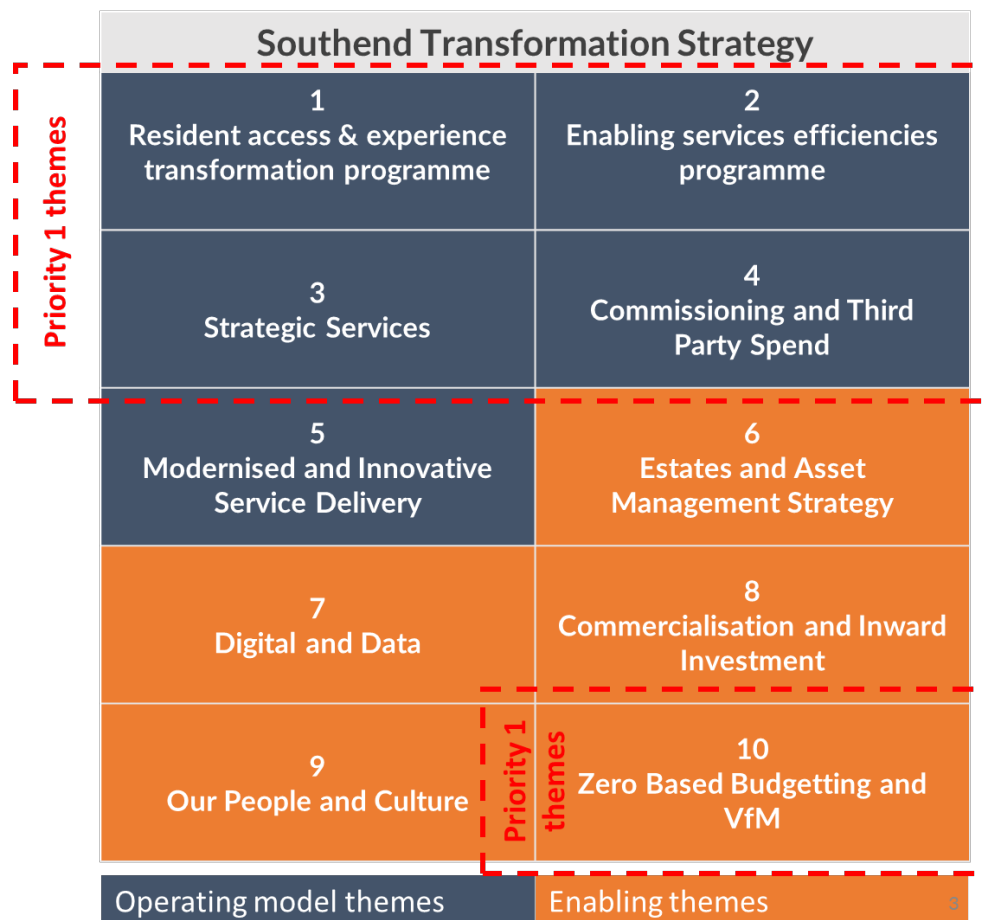
The Corporate Leadership Team review the proposed changes and discuss them with the appropriate executive member portfolio holders. Private Executive Briefings (Corporate Leadership Team and Cabinet Members) then regularly review and refine the plans via Budget Development sessions. The draft budget is launched in early January for consultation and is then presented to January Cabinet for consideration. It then proceeds through the scrutiny meetings and the final set of budget proposals are put forward to February Cabinet, with any changes included since the draft budget was launched clearly set out. Full Council then vote on the budget, including any budget amendments put forward by the opposition parties in February.

There is clear ownership and accountability of the new approved budget for each individual service area. The financial implications of the changes then form an integral part of the agreed Service Plan for each Directorate. Each individual approved budget change is also clearly allocated to a named officer responsible for delivering each initiative.

Delivery of long-term financial resilience and sustainability will be underpinned by the Council's Transformation Strategy, structured around ten organisation-wide themes, as shown in Figure 4.

Together, these themes provide a coherent framework for shifting from incremental efficiencies to evidence-led service redesign, operating model change and whole-system demand management. This approach focuses on resetting cost and demand baselines, improving productivity and strengthening financial grip across the organisation, creating a sustainable pipeline of savings aligned to the Medium Term Financial Strategy and Local Government Reorganisation outcomes.

Figure 4 Southend-on-Sea Transformation Strategy (emerging draft)



This will be delivered in practice through the Transformation Strategy's Zero-Based Budgeting and Value for Money theme, supported by corporate activity baselining and benchmarking. These approaches will create a single evidence base on cost, demand and outcomes, enabling the Council to move from historic budget setting to forward-looking financial planning based on service need, productivity and strategic priorities. This capability will also support Local Government Reorganisation by establishing consistent baselines and comparable service models across functions.

1.8 Financial Resilience and CIPFA's Index

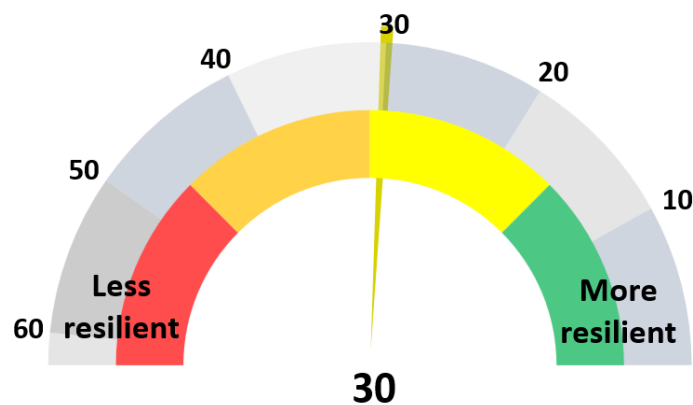
Financial resilience and future sustainability are important considerations. We are an ambitious Council and our local area secured City Status in 2022. We are committed to continually improving our performance and delivering better outcomes for residents through our Corporate Plan and key contributions to the vision recently launched for the city.

Our desire to improve, learn and provide value for money is also predicated on acting responsibly and ensuring our plans are affordable and sensible.

The CIPFA Financial Resilience Index² has been updated for financial year 2024/25 and uses eight primary indicators of financial stress. We have taken the indicator values for the 62 unitary authorities in England and assessed Southend's comparable resilience based on equal weighting of each indicator. The result places Southend-on-Sea 30th out of 62 overall (Figure 5), although ranking on the individual indicators ranges from 15th to 47th. This is 6 places lower than the organisation's position against the 2023/24 resilience index which was 24th out of 62. The Council needs to remain vigilant, particularly given the many financial and service delivery challenges the local government sector continues to face. The Council's financial resilience and future sustainability remain a key priority.

The variation in size and scale of unitary authorities both spatially and financially across the Country is significant. Southend-on-Sea's relatively small size does present a disadvantage in financial resilience terms, when compared with larger organisations. The Council's financial resilience and sustainability will remain under constant review.

Figure 5 Southend's Performance in CIPFA's Financial Resilience Index for 2025



1.9 Strategic context

The MTFS is aligned and integral to several organisational plans and strategies of the Council. The core strategies (shaded in burgundy) and other key plans (shaded blue) are shown in **Error! Reference source not found.**, together with our corporate priorities and golden thread which represents our Organisational alignment intention.

² <https://www.cipfa.org/services/financial-resilience-index/resilience-index>

Our corporate priorities

Proud and Prosperous

Safe, clean and green

Caring with a good quality of life for all

Led by a transformative, responsive council



1.10 Key Assumptions

Local authority budgeting is by its very nature difficult to forecast with absolute certainty since there are so many variables that need to be considered and assessed. Table 1 summarises a range of assumptions that have been used to drive all applicable aspects of the financial planning process and are each explained below the table. These assumptions include some grants whose allocation is yet to be confirmed/announced for 2026/27. Years 2028/29 to 20230/31 have been greyed out and shown as indicative assumptions only due to the formation of the new South East Essex Unitary Authority from April 2028.

Table 1 Summary of Key Assumptions

Item	2026/27	2027/28	2028/29	2029/30	2030/31
Council Tax Increase	2.99%	2.99%	2.99%	2.99%	2.99%
Social Care Precept Increase	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Base (No. of 'Band D' Equivalents)	61,258.91	61,565.20	61,873.03	62,182.40	62,493.31
Revenue Support Grant	£41.592M	£51.100M	£51.198M	£51.297M	£51.395M
Business Rates Retention Scheme	£42.585M	£44.325M	£45.219M	£46.131M	£47.062M
Use of Collection Fund Surplus	£1.000M	-	-	-	-
Public Health Grant	£12.772M	£12.986M	£13.217M	£13.217M	£13.217M
Consumer Price Index (CPI)	1.80%	2.00%	2.00%	2.00%	2.00%
Retail Price Index (RPI)	3.00%	3.00%	2.80%	2.80%	2.80%
Pay Award Provision	3.20%	2.00%	2.00%	2.00%	2.00%
Incremental Progression	1.00%	1.00%	1.00%	1.00%	1.00%
Superannuation Rate	18.80%	18.80%	18.80%	18.80%	18.80%
National Living Wage (Adult Social Care Providers - Cumulative)	£3.300M	£5.600M	£7.900M	£10.200M	£12.500M
Better Care Fund (SCC allocation)	£8.671M	£9.092M	£9.092M	£9.092M	£9.092M
Local Authority Better Care Grant	£9.619M	£9.619M	£9.619M	£9.619M	£9.619M
Fees & Charges increase yield	2.50%	5.00%	5.00%	5.00%	5.00%
HRA rent increases	4.80%	2.80%	3.00%	3.00%	3.00%
Dedicated Schools Grant	£78.288M	£78.288M	£78.288M	£78.288M	£78.288M
Investment Income (Ave)	3.68%	3.39%	3.31%	3.30%	3.30%
Average PWLB Borrowing Rate:					
General Fund	3.27%	3.27%	3.29%	3.28%	3.31%
Housing Revenue Account	4.03%	3.96%	4.00%	3.93%	3.88%
Combined GF and HRA	3.42%	3.40%	3.42%	3.39%	3.40%

Council Tax, Social Care Precept and Council Tax Base

The Government's Comprehensive Spending Review (CSR) 2026/27 to 2028/29 assumes that Local Authorities will increase their Council Tax by **2.99%** and the adult social care precept by **2%** in each of the next three years. The MTFs assumes the same percentage increases for 2029/30 and 2030/31.

The Council Tax base for SCC for 2026/27 has increased by 0.65%, this is 0.15% more than was estimated in the previous MTFs. The Council Tax base for 2026/27 was approved by Cabinet on 19 January 2026 and set at **61,258.91** (equivalent Band D properties) including Leigh-on-Sea Town Council. It has been assumed that from 2027/28 the Council Tax base will increase by **0.5%** per year.

Revenue Support Grant, Business Rates Retention and Collection Fund

The Fair Funding Review has significantly changed the number and value of grants in the local government finance settlement, as set out in Annex 3. This makes comparison of allocations between 2025/26 and 2026/27 complex and largely academic. For instance, SCC's Revenue Support Grant (RSG) in 2025/26 was £7.8 million and the 2026/27 allocation is £41.6 million, increasing to £51.1 million in 2027/28. Rather than being a funding windfall for SCC, this is actually due to grants which were allocated separately in 2025/26 being discontinued and instead those 'pots' of funding have been allocated through the Fair Funding Assessment via RSG. The planned 'roll in' of the Local Authority Better Care Grant in 2027/28 is creating another artificial increase in RSG.

A Business Rates Reset has been implemented in 2026/27 and SCC's Baseline Funding Level (BFL), i.e. income that can be expected to be raised from Business Rates, has been assessed at a lower level than previous MTFs assumptions. The lower BFL has resulted in additional grant being allocated through the Fair Funding Assessment so the net impact on SCC's gross income has been minimal.

The planned use of collection fund surpluses has been programmed into the MTFs from 2026/27 – 2030/31. A prudent view has been taken based on Council Tax increases and forecasts of housing completions, changes in discounts awarded and exempt properties, whilst also considering the effect of the current economic climate on collection rates. The overall collection fund position will be reviewed as part of the final outturn and formal closure of SCC's accounts for 2025/26.

Public Health Grant

The Public Health Grant was introduced to Local Authorities in 2013, when the responsibility for commissioning public health services moved from the NHS. The aim is to protect and improve the nation's health and wellbeing whilst reducing health inequalities, at both a national and local level. The grant is ringfenced to eligible defined Public Health expenditure only.

From 2026/27, the government have now nationally aligned previous and separate grants for 'Drug and alcohol treatment and recovery', 'Local stop smoking services and support', 'Individual Placement and Support' and 'Swap to Stop Scheme' into the Public Health Grant. Table 2 outlines the key areas Southend's Public Health Grant has been invested for 2026/27.

Table 2 Public Health Grant Investment

	2026/27 £000s
Children 0-19	5,070
Health Protection and Checks	571
Obesity and Physical Activity	290
Sexual Health Services	1,836
Smoking Cessation ^{a b c}	381
Drugs and Alcohol ^c	4,065
Other Public Health Services	559
Grant Total (In Year)	12,772
Grant Level Change (from 2025/26)	117
% Increase / (Reduction)	0.9%

^a Includes Local Stop Smoking Services and Support Grant (LSSSG) brought into Public Health Grant for 2026/27.

^b Includes Swap to Stop Smoking Scheme (StSSS) brought into Public Health Grant for 2026/27. Estimated value of £50,000.

^c Does not include any allocation for Individual Placement and Support Grant (IPSG) which is managed as part of consortium led by Essex, value around £278,000.

^d Includes Drug and Alcohol Treatment Grant (DATRIG) which has been brought into Public Health Grant for 2026/27.

Consumer Price Index (CPI) and Retail Price Index (RPI)

Estimates of future indices of inflation are shown in the key assumptions table (Section 1.10). From an MTFS perspective, inflation increases have only been provided for major contractual commitments, utilities, and business rates. The amounts earmarked for inflation in 2026/27 have been held at the same level as the previous year as inflation has remained relatively stable in 2025/26. Services are expected to absorb any other price inflation within their existing cash limited approved budgets.

Pay Award, Incremental Progression and Superannuation Rate

The 2025/26 pay award was 3.2%. The provision in the previous MTFS was for 2.5%, the difference of 0.7% was funded by a permanent allocation from contingency.

In 2026/27 provision has been made for a pay award increase of 3.2%, based on the actual award in 2025/26. From 2027/28 to 2030/31 a provision of 2% has been made for each year. Provision has also been included in each year for the estimated cost of staff progressing through spinal column points of their respective grade.

The financial impact of the 2025 triennial actuarial valuation of pensions has been built into the MTFs. Due to strong performance from the Essex Pension Fund and renegotiation of the Employers Superannuation rate, SCC has been able to reduce contributions for the 3 years from 2026/27 to 2028/29. The primary rate for each of these years will be 18.8%, it has been assumed this will remain the same in 2029/30 and 2030/31.

National Living Wage

An appropriate uplift will be paid to all our social care and other providers to ensure that they have the right level of resources to pay the estimated National Living Wage increase to care workers and other employees each year. The cumulative cost is shown in each year in the key assumptions' summary table (Section 1.10).

Waste Collection Contract

This major contract was awarded after a thorough procurement exercise and commenced in April 2025. After significant dialogue with the market about the aims and objectives of SCC, it was concluded that Southend will transition to an alternate weekly wheeled bin collection service which began from October 2025 which is reducing the environmental impact and cost of managing Southend's non-recyclable waste by driving up recycling rates.

It had already been recognised that the cost was expected to rise significantly from the previous contract. After the conclusion of the procurement process an additional £4.4M per year was included in the Medium Term Financial Forecast and was included as a permanent increase in the 2025/26 base revenue budget.

The roll out of the alternate weekly wheeled bin collection has been completed with further work to continue to increase recycling rates and understand the varying market rates for recycled materials. The garden and bulky waste services are also being refined with the intention of improving recycling rates further.

Better Care Fund (BCF) and Local Authority Better Care Grant (LABCG)

The Better Care Fund (BCF) was introduced in 2015 as a major national investment programme spanning NHS and local government, seeking to ensure closer integration between health and social care services. Our local arrangements are framed within a formal agreement with the Mid and South Essex Integrated Care Board (ICB) for a pooled budget under Section 75 of the National Health Service Act 2006. Various funds have been added to this pooled budget since its inception, including the Improved Better Care Fund (iBCF) in 2017/18, Winter Pressures in 2018/19 and the ASC Discharge fund. These grants were all rolled into the Local Authority Better Care Grant (LABCG) in 2025/26. For 2026/27, the LABCG will be the same as the prior year grant allocation, however indicative allocations for 2027/28 and beyond have not been published as it will be included within the Fair Funding Assessment and is presented within the Revenue Support Grant allocations for 2027/28 and 2028/29.

The 10 Year Health Plan for England: fit for the future, published in July 2025 announced reform to the Better Care Fund to focus on integrated services. There is potential for changes to both the NHS allocation and the local authority minimum contribution towards the protection of social care, these changes will not be implemented until 2027/28.

The BCF has increased by 4.4% for the protection adult social care received by the Council only.

Table 3 summarises the Council's core BCF and LABCG allocations, the ICB's BCF allocation and the total BCF/ LABCG in the pool for 2023/24 – 2026/27.

Table 3 BCF/iBCF Allocations

Allocation	23/24 BCF £000s	23/24 iBCF £000s	24/25 BCF £000s	24/25 iBCF £000s	25/26 BCF £000s	25/26 BCG £000s	26/27 BCF £000s	26/27 BCG £000s
SCC	7,560	7,797	7,988	7,797	8,302	7,797	8,671	9,619
ICB	8,416	0	8,893	0	10,578	0	10,799	0
Totals	15,976	7,797	16,881	7,797	18,880	7,797	19,470	9,619

Fees & Charges increase yield

It is assumed that the overall level of income generated will increase by an average of 2.5% in 2026/27, with some exceptions which were agreed by Cabinet in December 2025. Increases for the following years have been estimated at 5% per annum.

Investment Income (Ave)

The Council earns income by investing its surplus cash in a mixture of short-, medium- and long-term investments, as set out in the Annual Treasury Management Investment Strategy. The amounts available for investment and the length of time they are available depend on many factors, not least the Council's level of revenue and capital budgets, use of reserves, methods of funding the budget requirement, interest rates, cash flow and the Council's view of risk.

The assumptions for average investment income are based on information from the Council's Treasury Management adviser regarding UK interest rate forecasts and from the externally managed funds regarding their forecast performance. Professional judgement is used to apply this information to the estimated balances for each type of investment. There is a lot of uncertainty in such forecasts but sensitivity analysis for 2026/27 shows that a difference of 0.5% in interest rates would make a difference of £303k in interest earned and a difference of £1m in average balances would make a difference of £34k in interest earned in a full year.

PWLB Borrowing Rates (Long Term - GF) (Ave), (Long Term - HRA) (Ave) and (Long Term Consolidated) (Ave)

The ambitious capital investment programme, although partly funded by grants, other external contributions, capital receipts and revenue funding (such as Housing Revenue Account reserves), requires an increase in borrowing as set out in the Treasury Management and Capital Investment Strategies. The MTFS allows for the provision to repay this borrowing, and the increased costs of interest payments required.

The assumptions for average PWLB borrowing rates are based on the current loan pools for General Fund and the Housing Revenue Accounts, known loan maturities and forecast new borrowing. Professional judgement is used to estimate the amount and timing of new borrowing, and the estimated rates are based on information from the Council's Treasury Management adviser regarding forecast PWLB rates. For a £10M loan a difference of 1 basis point (0.01%) in the rate would make a difference in interest payments of £1k per year, or £50k over the total term of a 50-year loan.

Sensitivity Analysis

Table 4 provides an illustration of the financial impact of changes in assumptions to some of the key income streams in the budget for 2026/27.

Table 4 Illustration of Sensitivity Analysis - Income

Income stream	Change modelled	Lower Forecast	Central Forecast	Upper Forecast
Council Tax	Growth is 0.25% higher or lower	115.4	115.7	116.0
Business Rates	Collection is 0.50% better or worse	42.3	42.5	42.7
Fees & Charges Yield	Income generated is 1% worse or 0.5% better	30.5	30.8	31.0

The cumulative impact on the budget gap of these types of variances would be significant if circumstances resulted in either all the lower forecasts or all the upper forecasts occurring together over multiple years, as shown in Figure 7.

Figure 7 Central, upper and lower income estimates

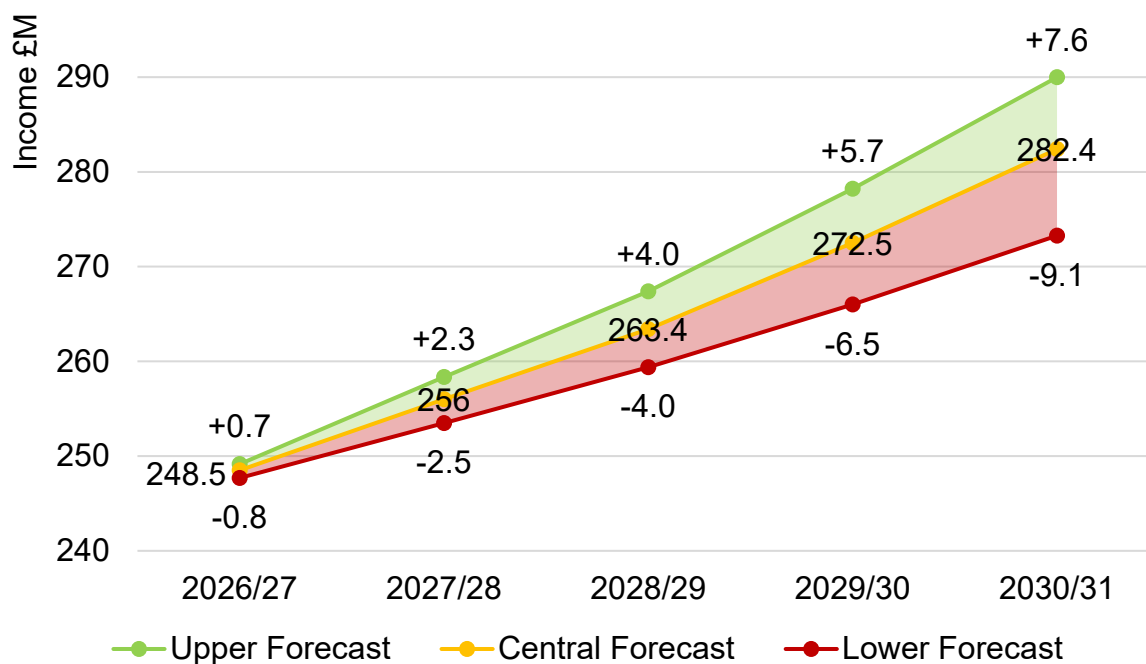





Table 5 provides an illustration of the financial impact of changes in demand forecasts for some key services in 2026/27. The size of the impact of a single individual, particularly in the area of Looked After Children, is a significant challenge when it comes to short-term forecasting, even more so when we look to the medium-term.

Table 5 Illustration of Sensitivity Analysis (Demand Changes)

Demand Factor	Change in Forecast	Effect on the budget gap for 2026/27
Growth in Older People (65+) population	+1%	 Increase of £0.500M
LAC Residential Placements	+ 1 place at average cost	 Increase of £0.390M
LAC External Foster Care Placements	+ 1 place at average cost	 Increase of £0.059M

Planned mitigations to offset some, or all, of the impact of growth in demand above the forecast include:

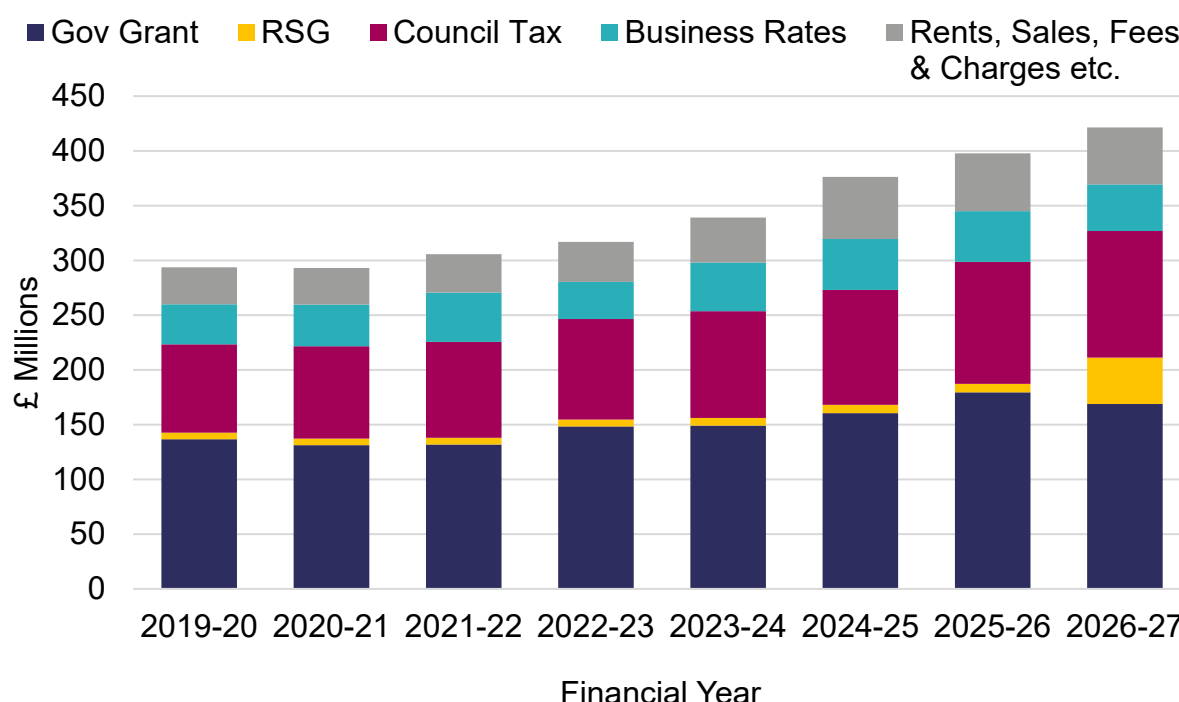
- Older People 65+
 - Promotions of independence.
 - Minimise incidence of low-level home care.
 - Promotion of the Strength Based Approach.

- Transitions
 - Review level of care once transition cases have turned 18.
- Promotion of Learning Disability pathways to independence.

Historical Funding Analysis of the General Fund Revenue Budget

To highlight the current direction of travel, Figure 8 illustrates how the budget has been funded over the last eight years (since 2019/20). This shows the general trend of increased reliance on locally generated income over the years and a significant real terms overall reduction in central government funding streams over this period.

Figure 8 Sources of Funding



Housing Revenue Account (HRA) Rent Increases

From 2012/13 the HRA became self-financing and is no longer subject to the HRA subsidy regime. Under self-financing, the HRA funds its expenditure, including its capital expenditure, from its income streams (primarily tenant’s rents). Some grant funding may be available to support capital expenditure within the HRA going forward, but there is no assumption of external financing built into forward projections.

In June 2025, the government announced a new long-term rent deal for both local authority landlords and housing associations. This would allow annual rent increases on both social rent and affordable rent properties of up to CPI as measured in September each year plus 1 percentage point from the financial year 2026, for the next 10 years.

A government consultation on the future of social housing rent policy concluded in December 2024 and alongside the setting of a rent settlement, a programme of convergence was also announced. A rent convergence mechanism will be implemented to ensure that those properties currently below the formula rent will increase at a higher rate to support equality in rent levels.

Dedicated Schools Grant (DSG) – Schools

For 2026/27, the Department for Education (DfE) after consideration of the two previous 2025/26 Schools budget support grant (SBSG) and National Insurance Contributions (NIC) grants, that have now been rolled into the 2026/27 DSG National Funding Formulae (NFF) **for Mainstream schools** have set the minimum basic funding rates per pupil for both mainstream primary and secondary to be a **0% cash flat** increase compared to 2025/26, alongside a minimum funding floor protection per pupil of **0%**, and for any schools attracting their underlying core NFF allocations to receive a circa. **2.1%** increase on their pupil led funding rates per pupil compared to 2025/26. All per pupil funding factors are then multiplied by the eligible numbers of roll at that individual School based on their preceding October Schools census for that financial funding year to determine a Schools final funding allocation. There will therefore also be cases where some school receives gains of greater than **2.1%** per pupil if that school's pupil characteristics are now attracting more additional needs funding factors.

The DfE continues its trajectory to implement a hard mainstream school national funding formulae (NFF) to determine all School budgets nationally by a previously shared intended date of 2027/28. The DfE, first introduced the NFF in 2018/19 and since that time Local Authorities and School Forums have been transitioning their previous local formulas to the national formulae. Nearly all Local Authorities now follow the national funding formulae of which Southend-on-Sea is one, and the DfE have each year tightened funding rules to align local mainstream school funding allocations to the NFF.

Mainstream Schools nationally for many years have now also been highlighting funding pressures within their schools resulting in funding cuts to support staff and reduced teacher numbers. It will also be awaited as to whether any further grant funding will be made available to support the annual teacher pay award from September 2026. For any school on the minimum rate per pupil receiving no funding uplift per pupil in 2026/27 the financial pressures will obviously now be even more acute.

Many Local Authorities have also had to propose further 2026/27 reductions in funding to their mainstream school allocations in order to direct funding resources to their High Need block funding allocations (High Needs funding which supports the educational requirements of Children with special education needs and disabilities (SEND) and Inclusion Services) which are under significant financial strain where they have current deficit cumulative DSG reserve balances.

Dedicated Schools Grant (DSG) – High Needs

In relation to **High Needs funding** for 2026/27, the DfE announced on the 17 December 2025, *“In 2026 to 2027 we are temporarily suspending the high needs national funding formula (NFF), which in previous years we have used to calculate local authorities’ high needs allocations. Instead, local authorities’ allocations will be based on their 2025 to 2026 allocations, with some adjustments. Following wider reforms to the SEND system, which the government will set out in early 2026, we will review the methodology for allocating high needs funding so that it supports the SEND reforms”*.

The current funding adjustments in the High Need 2026/27 allocation, relate only to additional grants for specialist settings currently allocated outside of the DSG 2025/26 but will be rolled into the DSG for 2026/27 and must continue to be passported on. No current funding uplift has been applied to High Needs allocations for 2026/27 and as the DfE have stated, they will review the methodology for allocating high needs funding, so it supports the planned SEND reforms.

The National Audit Office in October 24 highlighted *“that the current SEND system in England is not delivering better outcomes for children and young people with SEND or preventing local authorities from facing significant financial risks”*. The DfE, have also highlighted in their 17 December 2025 statement, that the extent of the divergence between high needs NFF allocations and spending in different local authorities raises questions about aspects of the previous national funding allocation methodology. The Department have committed to reviewing the high needs funding system for future years, to ensure that it will properly support the reformed SEND system.

As highlighted within Southend-on-Sea’s own *School Forum 5 December 2025 DSG paper*. Following many years of financial sustainability, Southend-on-Sea’s own High Needs funding allocation is forecasting to be in deficit for 2025/26. This is the same position for both Thurrock and Essex County Council and many other local authorities across the country. Southend-on-Sea’s own High Needs deficit for 2025/26 has been driven by the continued significant growth in Education Health and Care Plans (EHCPs) issued. At the end of December 2025 2,433 plans have now been issued. It is positive that Southend-on-Sea’s own SEND arrangements have improved significantly with previously unmet SEND need now identified and the number of EHCP’s Southend has issued is broadly in line with national averages. However, this level of growth is simply financially unsustainable for High Needs funding allocations. **2,433 plans** issued equates to growth in numbers of around **24%** from the same time last year, which is on top of a nearly **17%** growth from the previous year. This continued level of significant growth in EHCP numbers has therefore far outstripped high need funding allocations that have been received from Central Government.

In response to rising National Dedicated Schools Grant cumulative deficit balance reserve positions driven by High Needs spend, the Government had historically continued to extend the Dedicated Schools Grant Statutory override meaning Local Authorities were not required to fund any DSG reserve deficit by using its own general fund resources but instead therefore hold their DSG balances as a deficit. The DfE have also been historically working with certain local authorities under a DSG safety valve agreement who have had very high deficits in order to seek local reforms and reduce their in year deficit balances over a future time period up to 2029/30.

As part of the 2025 Autumn Government Budget a further statement was also issued *“The 2025 Spending Review provided investment for SEND reform. Future funding implications will be managed within the overall government Departmental Expenditure Limits (DEL) envelope, such that the government would not expect local authorities to need to fund future special educational needs costs from general funds once the statutory override ends at the end of 2027/28. The government will set out further details on its plans to support local authorities with historic and accruing deficits and conditions for accessing support through the upcoming Local Government Settlement”*.

On 9 February 2026, in response to the Provisional Local Government Finance Settlement, the government also announced its intention to support local authorities with Dedicated Schools Grant (DSG) deficits. The Government stated that *“We are introducing support for local authorities’ DSG deficits in phases. The first phase will tackle historic deficits up to the end of 2025/26. All local authorities with SEND deficits will be eligible in 2026/27 to receive a grant covering 90% of their High Needs-related DSG deficit accrued up to the end of 2025/26. We know that SEND reform will take time to fully embed and local authorities will need further support. For deficits that arise in 2026/27 and 2027/28, local authorities can expect that we will continue to take a similarly appropriate and proportionate approach to such support, though it will not be unlimited.”*

The Government’s Autumn 2025 budget statement had already confirmed that future SEND costs for all Local Authorities would be met centrally from April 2028 although the detail is still awaited as to what this will specifically mean. As stated above the December 2025 Council’s School Forum received a report that highlighted that Southend-on-Sea’s own Dedicated Schools Grant (DSG) High Need SEND costs is forecasting an in year 2025/26 deficit. On an accumulative accrued basis though Southend-on-Sea is not currently expected to meet the criteria to apply for any additional DSG funding support for 2025/26 based on the Government’s recent announcement.

For 2026/27 and 2027/28 Southend-on-Sea together with all other Local Authorities with SEND responsibilities will be working with the Department of Education in view of the now published 4 March 2026 Special Educational Needs and Disability (SEND) Reform white paper for Schools including future SEND reforms to determine funding requirements on an ongoing basis, and Southend-on-Sea’s own DSG High Needs SEND position also be in deficit expected alongside all other upper tier Local Authorities across the country.

Dedicated Schools Grant (DSG) – Early Years

As first announced by the previous Government in their Spring 2023 budget, and of which this current Government has continued. 2026/27 is now the first full financial year of the expanded free childcare offers for eligible working parents. Meaning eligible working parents can now claim 30 hours of weekly childcare (over 38 weeks of the year) from the term after their child turns 9 months up to school age. This has obviously been a significant expansion by the Government with the main aim of supporting parents back to work which in turn is also planned to help grow the economy. 2026/27 allocations have been set by the Department for Education (DfE) based on current expectations of take up and the childcare market continues to respond and expand to support the required growth in childcare places.

Upper tier and Unitary Local Authorities have a duty to ensure sufficient and good childcare provision is available in their local area. The introduction of these new offers has therefore placed more requirements on Local Authorities including the distribution of this significantly increased childcare funding to local providers, in Southend-on-Sea as in other Local Authorities response has been positive to this expansion. Southend-on-Sea's DSG financial planning response to this new major initiative has been shared through respective School Forum papers, including the January 2026 DSG School Forum report which confirmed the early years provider funding rates for 2026/27.

Dedicated Schools Grant (DSG) – Central Block

As planned and expected there has been a further 20% reduction in national funding for Southend-on-Sea's DSG central block funding for 2026/27 covering historical commitments (which are combined budgets between the Local Authority and the DSG). Whilst of course disappointing this funding has been unwound, proactive plans have been developed and agreed since 2020/21 when this DSG DfE Central funding first began to unwind and of which will now fully disappear by April 2030. *These are as referenced in the "December 2025 DSG School Forum Paper section 10".*

1.11 Corporate Assurance, Strategy Alignment and Risk Management

The Council's Corporate Risk Register sets out the key risks to the successful delivery of the Council's Corporate Plan priorities and outlines the key controls and management arrangements in place to mitigate and reduce risks or maximise opportunities.

The Council's risk management framework supports the delivery of the priorities, to ensure that these are:

- Effective and as easy to understand as possible.
- Collaborative and complementary, not conflicting with each other.
- Customer focussed
- Making best use of technology and digitally enabled where appropriate.
- Compliant with legislative requirements whilst also ensuring that resources are used efficiently and effectively.
- Driving the desired outcomes.

The Council has identified core principles at the heart of its Risk Management Framework, these include that:

- Risk management is essential to governance and leadership, and fundamental to how the Council is directed, and managed at all levels
- Risk management is an integral part of all organisational activities to support decision-making in achieving objectives

- Risk management is collaborative and informed by the best available information and expertise
- Risk management is continually improved through learning and experience
- Continued development of a positive risk culture which embraces openness, supports transparency, welcomes challenge, and promotes collaboration, consultation, co-operation and continual improvement.
- Everyone within the Council has responsibility for risk management and resources that support the framework are there to 'support and challenge' not 'own and do'.
- Wider councillor engagement in identifying and monitoring the most strategic risks the organisation faces would add value, whilst the roles of the Audit & Governance Committee, Scrutiny and Cabinet are critical to the robustness of the overall framework.
- The corporate plan priorities need to drive the Council's budget and financial management arrangements, performance management of the service plans and risk management framework.
- The framework ensures joined up Strategic, Operational, Programme and Project Risk Management whilst recognising the differences between them.
- The Council's Corporate Risk Register identifies the key risks, these are listed below:
 - Risk of the adult social care provider market being unable to meet needs of statutory services.
 - Risk of failure to adopt a local plan
 - Risk of failure to successfully transition to the new waste collection service delivery model
 - Financial resilience and sustainability – risk that the Council's expenditure continues to exceed the available resources
 - Risk of increasing levels of homelessness, increasing pressure on other services inc. temporary accommodation
 - Risk of placement insufficiency for Children Looked After (CLA)
 - Risk of insufficient progress made on sustainability initiatives and achieving net zero carbon by 2030
 - Risk of loss of information assets and/or loss of data systems.

- Risk that the transformation programme fails to deliver the required outcomes.
- Risk of insufficient capacity/resources to deliver ongoing council services alongside Devolution and Local Government Re-Organisation.

Aligning to our corporate strategy

Strategically important documents such as the Corporate Plan, Medium Term Financial Strategy, and Annual Governance Statement will continue to be developed to align with the corporate strategy of the organisation. This means that plans and assurance documents will be reviewed by cross cutting teams including the Policy and Performance, Finance and Audit Teams to ensure that the Council's priorities and policy context is consistently informing and driving plans and reflected in key messages. This approach has been designed to generate further efficiencies in the development of documents by ensuring that one approach to those key messages is articulated throughout whilst enhancing the organisation's focus on our priorities.

2 Horizon Scanning

2.1 Key Statistical Headlines

For Southend City residents/service users:

- Southend has 185,256 residents (NOMIS mid-year estimates - 2024) and 78,344 households (Census 2021).
- Average monthly private sector rent for a 2-bed property in November 2025 was £1,085. The median house price for 2024 was £329,000.
- 14.1% of Southend-on-Sea's residents were economically inactive (Oct 2024 – Sep 2025). This is compared to 18.2% for the East of England and 21% for England.
- Average resident full-time weekly earnings in 2025 were £837.40 for men and £763.80 for women. This is compared to £834.30 and £808.30 respectively for 2024.
- 90.5% of Southend residents aged 16 to 64 have a RQF1 (Registered Qualifications Framework) qualification or above. 5.1% of residents have no qualifications.
- Comparing the Index of Multiple Deprivation (IMD) 2025 to 2019 of the 108 small areas within Southend-on-Sea, 24 areas showed higher levels of relative deprivation, 12 areas had improved levels of relative deprivation, and 72 areas had no change. Southend-on-Sea has 12 small areas in the most deprived areas and 11 in the least deprived. This is compared to 9 and 13 retrospectively in 2019.
- 74% of older people, aged 66 years old and over, live in the least deprived areas of Southend-on-Sea. This is compared to 53% of children aged 0-4 years old and 58% of children aged 5-17 years.

2.2 World Drivers

- **The levels of global economic growth and impact on the national economy:** The IMF's January 2026 World Economic Outlook Updateⁱ, provides a cautiously optimistic outlook for the global economy. The update projects global real GDP growth at 3.3% for 2026 and 3.2% for 2027, reflecting a modest upward revision from the previous October 2025 edition. This growth is attributed to a combination of factors, including technology investment, fiscal and monetary support, accommodative financial conditions, and private sector adaptability. The update also highlights that global inflation is expected to decline, with the US inflation returning to target more gradually. However, it also notes that risks to the global outlook remain tilted to the downside, including potential tariff hikes, escalating geopolitical tensions, and rising fiscal vulnerabilities.
- **Levels of UK economic growth:** The OECD's UK Economic Outlookⁱⁱ for December 2025 stated the following: "GDP growth is projected to ease to 1.2% in 2026, due to the continued effect of budgetary tightening on consumption and to the drag from global uncertainty, before edging up to 1.3% in 2027, supported by business investment and exports as financial conditions and global trade improve. Renewed price pressures are expected to be transitory, with headline inflation remaining elevated at 2.5% in 2026 and easing to 2.1% in 2027, though staying above target over the entire period. Slack will emerge in the labour market, as employment and vacancies fall, with the unemployment rate projected to reach 5.0% in 2027."
- **Outlook summary:** The Office for Budget Responsibility (OBR) published its latest Economic and fiscal outlook on 6 March 2026ⁱⁱⁱ. Forecasts are broadly similar to the OECD's assessment and highlight significant risks; "Conflict in the Middle East, which escalated as we were finalising this document, could have very significant impacts on the global and UK economies. In addition, trade policy developments, the evolution of productivity growth and the labour market, and changes in equity prices and interest rates are key risks within the economy forecast. On the fiscal side, there are also risks from a rising tax-to-GDP ratio and pressures on spending in areas such as defence, education, welfare, and, over the longer term, from an ageing population. And the past two decades have shown that, more than these known risks, it is wholly unanticipated shocks that can have the most significant negative effects."

2.3 National, regional and local drivers and impact

The Council's medium term financial strategy is being shaped by a period of significant change across national policy, regional governance and local government structures. Collectively, these changes are intended to create a system that is intended to be more stable, devolved and streamlined over time, but which remains uncertain and pressured in the short term.

National

Government policy is moving away from fragmented, short-term funding and competitive bidding in order to move towards multiyear settlements, consolidated funding streams and empowered local decision-making. National growth, regeneration and infrastructure funding is being rationalised into fewer, larger programmes, improving the ability to align funds with local priorities.

The introduction of multi-year funding settlements from 2026/27 should improve certainty over core resources, compared with recent years. This supports improved financial planning and budget management. However, it is occurring alongside substantial policy and public service reform, including changes to employment law, the national planning framework, housing targets and national transport delivery, and expectations around service integration and prevention.

All of these could increase cost pressures and demand on council services over the medium term, and the move away from fragmented competitive bidding towards consolidated, longer-term funding is likely to come with increased expectations on delivery, capacity and local leadership.

Regional

Regionally, governance and partnership arrangements are in a period of significant transition, shaped by devolution, local government reorganisation (LGR), and the winding down or redesign of existing regional bodies.

Some established structures, such as South Essex Councils, have become dormant or are expected to be wound up, while new bodies such as the Greater Essex Business Board, a mayoral strategic authority for Greater Essex and delivery models linked to devolution and LGR are still emerging.

When SCC joined the Government's Devolution Priority Programme in February 2025 it committed to delivering LGR and achieving devolution by establishing a mayoral strategic authority for Greater Essex, against an accelerated timeline. National policy on devolution has since shifted, with devolution and the election of a mayor for Greater Essex now set to complete in 2028. The mayoral election will subsequently align with LGR and the creation of new, larger unitary authorities across Greater Essex. The geographic footprints of the five new unitary councils in Greater Essex was confirmed by a government 'minded-to' decision on 25 March 2026.

The dual phases of devolution and LGR being undertaken in 2026/27 and 2027/28 will be resource-intensive, requiring significant capacity and capability to implement both programmes successfully while capitalising on opportunities to maximise outcomes for Southend and the wider region - such as achieving greater financial resilience, and being able to collectively design sustainable, higher quality services.

As a result, the regional landscape remains fluid in the short term, creating uncertainty over routes to funding, strategic influence and partnership working, but also offering significant potential for clearer leadership and statutory roles under devolution, stronger alignment, and more stable funding once new arrangements are fully established.

Local

These national and regional shifts reinforce the need for a resilient local approach. While there are significant opportunities to benefit from longer term funding, devolved powers, LGR and service reform, these are not yet fully defined and will require capacity and flexibility to realise.

Ensuring capable capacity is available to engage with new regional partners, emerging mayoral strategic authorities and newly devolved powers is a priority and will be critical to making the most of future funding and deepening SCC's regional and national influence. Preparations for the Adult Skills Fund and Connect to Work programme provide major opportunities to shape local adult skills provision and improve employment outcomes. New funding and powers to be devolved for local transport, key route networks, and active and sustainable travel will be equally important in enabling growth, improving connectivity, and supporting inclusive economic development.

Over the medium term, devolution and LGR offer the potential for improved funding certainty and better value for money, supporting more sustainable financial planning and creating a more stable foundation for the Council. From this stable foundation SCC can maximise its investments into local and regional priorities that make a tangible difference to Southend's residents, businesses and visitors.

3 The Financial Challenge

3.1 Impact on Planning and Resources

Given the difficult operating environment, increased local service demand pressures and uncertain levels of future national funding, the development of this Medium Term Financial Strategy has been challenging. The Government confirmed in March 2026 that its minded-to decision is to proceed with a five unitary authority (5UA) model across Greater Essex adds an extra dimension in terms of challenge and financial planning. This represents a significant structural change and will have important financial, operational and strategic implications for Southend-on-Sea City Council over the medium term and during the transition to the new South East Essex Unitary Authority from April 2028.

The financial landscape and operating environment for all public services and particularly for local government remains challenging and uncertain. Our Transitional Financial Sustainability Strategy has been updated for the period 2026 – 2029. The strategy enables us to reassess, at a high level, our ambition, approach, desire, and commitment to ensure that Southend-on-Sea City Council remains financially stable and resilient for the future. This strategy and ambition have been written against a backdrop of the current national picture and the potential impact of devolution and local government reorganisation.

The Council remains committed to continue to develop a longer-term view of the use of its resources and financial planning arrangements. It is determined to do everything it can to plan effectively for the future and to invest in priorities that make a real positive difference to residents, businesses, and visitors.

3.2 Forecast Financial Position 2026/27 to 2030/31

Southend-on-Sea City Council continues to deal with many of the same financial challenges as most other upper tier Authorities across the country. Most local authorities are experiencing increasing demand for key priority social care services which is placing a strain on available resources. A survey carried out prior to the COVID-19 outbreak identified that around 90% of Councils were highlighting increasing demand and were also overspending in meeting the needs of children and families. The situation post pandemic has worsened this position significantly in most local authority areas.

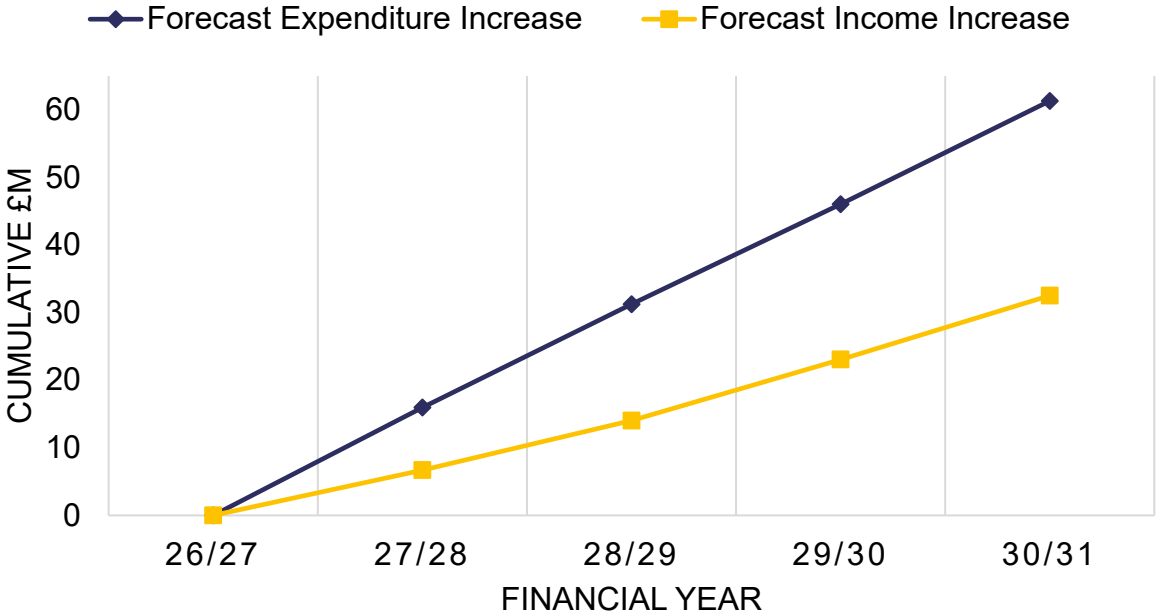
The costs associated with maintaining reasonable quality in the delivery of our services and local environment for residents, businesses and visitors continues to be very difficult. Over two thirds of the Council's net budget is spent on providing support for 'people-based services', such as social care, but local housing growth in the area also brings additional challenges for other key services such as increased waste collection, disposal and highway maintenance. We are proud to be a tourist destination of choice and welcome almost 7 million seafront visitors each year, but this clearly has an impact on our infrastructure and local environment, which needs to be carefully managed and resourced.

Taking a pragmatic and realistic assessment of the impact and implications of the increases in service demand post the pandemic combined with volatile economic factors, the Council’s current forecast financial position is summarised in the following chart indicatively for each of the next five years. It has been calculated based on the best information currently available and the series of assumptions that were outlined in section 1.10.

An updated annual assessment will be made over the next 2 years during each year’s budget setting process to reflect any significant changes to our operating environment, identification of new pressures, updated forecasts, policies, or Council strategy changes. The preparation and transition to the new South East Essex Unitary Authority from April 2028 will clearly be a major consideration. All known factors have been built into the financial modelling to ascertain the forecast financial position.

Figure 9 illustrates the funding gap to 2030/31 as reported to Council in February 2026.

Figure 9 Forecast Funding Gap



Overall, we consider the estimates to be sufficiently robust, despite the highlighted implications of the increases in local service demand and spending pressures.

3.3 CIPFA's Financial Management Code – Self Assessment

Good financial management is an essential element of good governance and longer-term service planning, which are critical in ensuring that local service provision is sustainable. In October 2019 CIPFA published its Financial Management Code (FM Code) which is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. It essentially sets the expected standards of financial management for local authorities.

It is based on a series of principles which are supported by specific standards which are considered necessary to provide the strong foundation to:

- Financially manage the short, medium, and long-term finances of a local authority.
- Manage financial resilience to meet unforeseen demands on services.
- Manage unexpected shocks in their financial circumstances.

Figure 10 shows a summary of the headline six core principles of the FM Code and the subsequent 17 minimum standards (A-N) that came into effect from 1 April 2020 with the first full year of compliance being the 2021/22 financial year.

Each financial year the Council undertakes a self-assessment against each of the 17 standards contained within the FM Code. An evidenced based officer self-assessment was undertaken in April 2026 by staff in finance and internal audit. Our RAG rated approach of the **17** standards resulted in **14** components (Rated Green) assessed as fully compliant and **3** components (Rated Amber) assessed as complying with minimum standards but requiring some improvement to demonstrate full compliance. These three standards were also recognised as having scope for further improvement in last year's self-assessment.

Despite it being a challenging year, progress has been made but it was felt that further strengthening, particularly around enhanced awareness and consistent embedding across the Council's wide range of services is still required. In addition, there are new considerations that have now been introduced including the preparation and implementation for Local Government Reorganisation and the need to have our financial management arrangements as strong as possible as we transition into a larger new combined Unitary Authority. Locally there is also the need to evaluate the impact of embedding the Council's governance arrangements for our major Transformation ambitions. There are **0** components (Rated Red) assessed as not compliant.

A summary report on this self-assessment and accompanying action plan was taken for consideration and approval to our Audit & Governance Committee on 21 April 2026. The committee agreed to keep the Council's compliance status with the Code under review, with the next update on progress scheduled for October 2026.

Figure 10 CIPFA Financial Management Code – Self Assessment

Leadership	Accountability	Transparency	Standards	Assurance	Sustainability
A. The leadership team is able to demonstrate that the services provided by the authority provide value for money.	D. The authority applies the CIPFA/SOLACE <i>Delivering Good Governance in Local Government Framework (2016)</i> .	L. The authority has engaged where appropriate with key stakeholders in developing its long-term financial plan and annual budget.	H. The authority complies with the CIPFA <i>Prudential Code for Capital Finance in Local Authorities</i> .	C. The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	E. The financial management style of the authority supports financial sustainability.
B. The authority complies with the CIPFA <i>Statement on the Role of the Chief Finance Officer in Local Government</i> .	P. The chief finance officer has personal and statutory responsibility for ensuring the statement of accounts produced by the local authority complies with the reporting requirements of the Code.	M. The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decision.	J. The authority complies with its statutory obligations in respect of the budget setting process.	F. The authority has carried out a credible and transparent financial resilience assessment.	G. The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.
O. The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.	Q. The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.		K. The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.	N. The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	I. The authority has a rolling multi-year medium term financial plan consistent with sustainable service plans.

The capital letter references shown are as set out in the Code.

3.4 Latest national position on the delays in Local Government Audits

To address the significant backlog of unaudited accounts in the Local Government sector, the Government updated the regulations for the finalisation and auditing of accounts for all local authorities. The changes include publication of outstanding audited accounts for financial years 2015/16 up to and including 2022/23 by a statutory backstop date of 13 December 2024. It also included the publication of audited accounts for the financial year 2023/24 by a statutory backstop date of 28 February 2025 and the publication of audited accounts for the financial year 2024/25 by a statutory backstop date of 27 February 2026.

There remains an audit backlog for Local Government Statement of Accounts dating back to 2019/20. Table 6 shows the position as at 31 March 2026.

Table 6 Local Government Audit Progress

Audit year	Statutory publication date for audited accounts	Percentage of audits complete by publishing date / backstop date	Percentage of audits outstanding as at 31 March 2026	Date of publication of Southend's audited accounts
2024/25	27/02/2026	92%	5%	13/01/2026
2023/24	28/02/2025	90%	3%	27/02/2025
2022/23	30/09/2023	1%	1%	28/11/2024
2021/22	30/11/2022	12%	1%	19/12/2023
2020/21	30/09/2021	9%	1%	19/04/2023
2019/20	30/11/2020	45%	1%	20/10/2020
2018/19	31/07/2019	57%	0%	30/07/2019

For all financial years, Southend-on-Sea City Council has published its draft Statement of Accounts ready for external independent audit by the statutory deadlines set for each financial year. All prior years have been fully audited and opinions issued for Southend-on-Sea.

The Council's audited 2024/25 accounts were published on 13 January 2026. Positively the external auditors issued an unqualified opinion on the Council's accounts and an unmodified opinion on the Council's Value for Money arrangements. This is the best category and indicates a 'clean' audit opinion. Southend-on-Sea City Council are the only Council of the 15 Local Authorities in Greater Essex to achieve this positive outcome for their 2024/25 Accounts.

3.5 Transitional Financial Sustainability Strategy 2026 - 2029

The statutory local authority budget setting process continues to be on an annual basis, but a longer-term perspective is essential to increase confidence around financial resilience and future sustainability. Short termism runs counter to both sound financial management and sound governance. To highlight the importance of this issue and to provide a clear high level strategic framework, the Council has refreshed its Financial Sustainability Strategy, recognising that it must be transitional given the LGR decision. The refresh confirmed our core financial management guiding principles as we prepare for the creation of a new Unitary Authority for South East Essex from April 2028. A comprehensive Financial Sustainability Strategy for the new Authority will be developed in 2028/29 for the period 2029/30 – 2039/40.

The strategy's guiding principles and intentions incorporates the following:

- ambition to be more self-sufficient and less reliant on Government grant support wherever possible.
- delivery of the Council's approved Corporate Plan priorities.
- reflect on the continuing challenging operating environment caused by service demand pressures over the last few years, including the significant increase in the costs of statutory service provision particularly children's residential care placements.
- commitment to the Council's Transformation Strategy and delivery programme to improve efficiency, increase productivity and improve outcomes.
- assessment of the medium-term impact of the Government's new Comprehensive Spending Review (2026/27 – 2028/29).
- consideration of all known planned national policy changes wherever possible.
- preparation for the range of implications and considerations arising from Devolution and LGR.

The MTFs remains fully aligned with the strategy and effectively provides a more detailed phased plan of activity and considerations to ensure we remain financially resilient and maintain long term financial sustainability.

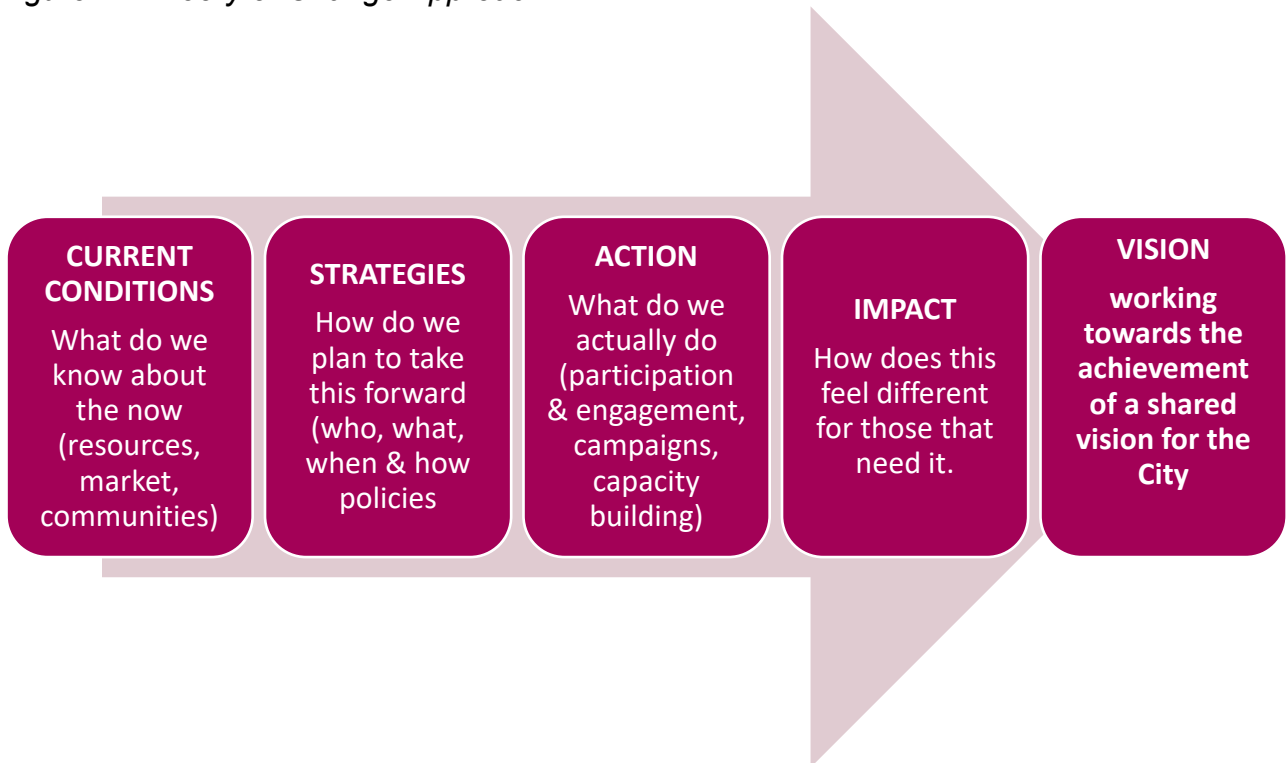
3.6 Commissioning Framework for Delivering Better Outcomes

Commissioning is the process by which we understand the collective approach needed to deliver the Corporate Plan and what we need to do with others to make them happen. In practice, this is not in-sourcing or out-sourcing but clearly '**right-sourcing**'.

Our goal is to drive a robust and balanced framework for commissioning into the fabric of the organisation. Designed alongside the 'creating the conditions' work, our commissioning framework will embed the values and behaviours required in everything we do as an authority through a set of core principles.

Supported by a **theory of change approach** (see Figure 11), our commissioning practice will define long, medium, and short-term goals and then map backwards to identify the necessary preconditions for success.

Figure 11 Theory of Change Approach



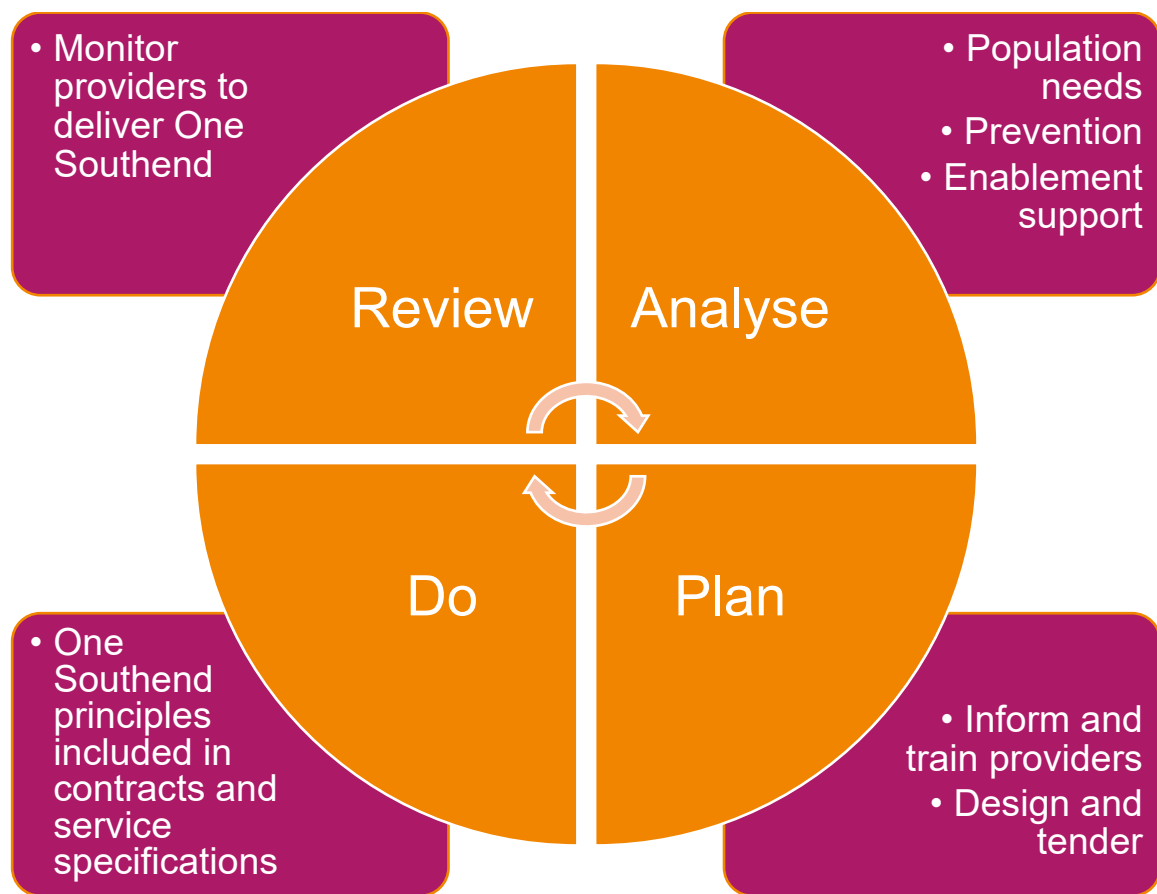
Continuously driving the delivery of the refreshed vision for the city and the Corporate Plan, our approach will be steeped in evidence of the current conditions whilst our strategies, engagement and action planning will remain focused on the achievement of a positive impact for the communities of Southend. We will utilise the commissioning cycle as a way of ensuring that any commissioning activity is evidence-based, led by user voices and informed by local conditions. Our approach is summarised in Figure 12.

These principles allow us to plan, procure, and manage services that meet the needs of their communities. It involves several key steps:

- **Analyse - Needs Assessment:** Identifying the needs of the community through data analysis, consultations, and research.
- **Planning:** Developing strategies and plans to address these needs effectively.
- **Doing/Procurement:** Selecting and contracting service providers to deliver the required services.
- **Review - Monitoring and Evaluation:** Continuously assessing the performance of services to ensure they meet the desired outcomes and adjusting as necessary.

Commissioning aims to ensure that public services are efficient, effective, and responsive to the needs of the community. It often involves collaboration with various stakeholders, including service users, providers, and other public sector organisations.

Figure 12 Commissioning Cycle



The purpose of high-quality commissioning is to ensure that:

- We are consistently commissioning to high standards, making the best use of the tools and resources available.
- We utilise best practice, Statutory Guidance, and legislation (e.g., The Social Value Act) to best effect to achieve our ambition.
- We are accountable for ensuring that these principles are embedded in the organisation.
- We each recognise and respect the important roles we play in ensuring that these principles are reflected through our commissioning activities.
- Our assurance processes for commissioning are robust and agile to best support achievement of our ambitions and outcomes.
- Meeting Community Needs: Ensuring that services are tailored to the specific needs of the local community through comprehensive needs assessment
- Value for Money: Achieving the best possible outcomes within the available budget, ensuring efficient use of resources

- **Outcome-Based Approaches:** Focusing on the results and impacts of services rather than just the processes, aiming to improve the quality of life for residents
- **Collaboration and Partnership:** Working closely with various stakeholders, including service users, providers, and other public sector organizations, to co-design and deliver services
- **Innovation and Flexibility:** Encouraging innovative solutions and being adaptable to changing needs and circumstances
- **Sustainability:** Ensuring that services are sustainable in the long term, both financially and environmentally
- **Transparency and Accountability:** Maintaining clear and open communication with the community and stakeholders, and being accountable for the outcomes of commissioned services

These arrangements will also help to provide a solid foundation for the new South East Essex Unitary Authority from April 2028, maintaining delivery of high-quality, responsive, and sustainable services that meet the evolving needs of communities across the expanded geographical area.

3.7 Leadership Accountability

All budget holders and senior leaders are expected to understand the baseline for their service(s) in terms of their costs, income generation potential, value for money and performance. This data continues to highlight key lines of enquiry where benchmarking suggested that either our costs or income levels are above or below average. This assessment, together with a comprehensive 'strategic-fit' review against our corporate plan, administration priorities, economic recovery aspirations and delivering better outcomes and value for money for our residents has influenced the development of the investments, savings and income generation proposals contained within the Council's approved budget.

3.8 Value for Money Commitment

The Council is continually striving to improve all aspects of the organisation in terms of its efficiency, economy, and effectiveness. Our goal is also to improve the wellbeing and productivity of all our staff by investing in technology, encouraging innovation, creativity, and future modern ways of working via our WorkLife initiative. The legacy impact of COVID-19 and current economic challenges has strengthened our determination to pursue this commitment with even greater vigour.

It is important to demonstrate to the local taxpayer that the Council provides value for money and to evidence that it is an important consideration in everything that we do. A key dimension of our approach is for our service leaders to acknowledge and understand that they are all custodians of public money, and they need to run their services and operations as effectively and efficiently as possible, always striving to improve.

The CIPFA Financial Management Code translates the principles of good financial management into a series of standards. One of the Code standards is that “the leadership team is able to demonstrate that the services provided by the authority provide value for money”.

It is important that we can:

- demonstrate to stakeholders that the Council is seeking to and is providing Value for Money
- evidence that this is the case

Value for Money is commonly broken down into four ‘pillars’, which are measurable:

- Economy (spending less)
- Efficiency (spending well – translating inputs into outputs)
- Effectiveness (spending wisely – translating outputs to outcomes)
- Equity (spending fairly – outcomes made accessible to those who could benefit from them)

For 2026/27 we have made it a specific requirement for all Directorate/Service Plans to set out actions, intentions and where possible specific metrics to demonstrate how they are achieving value for money for local taxpayers.

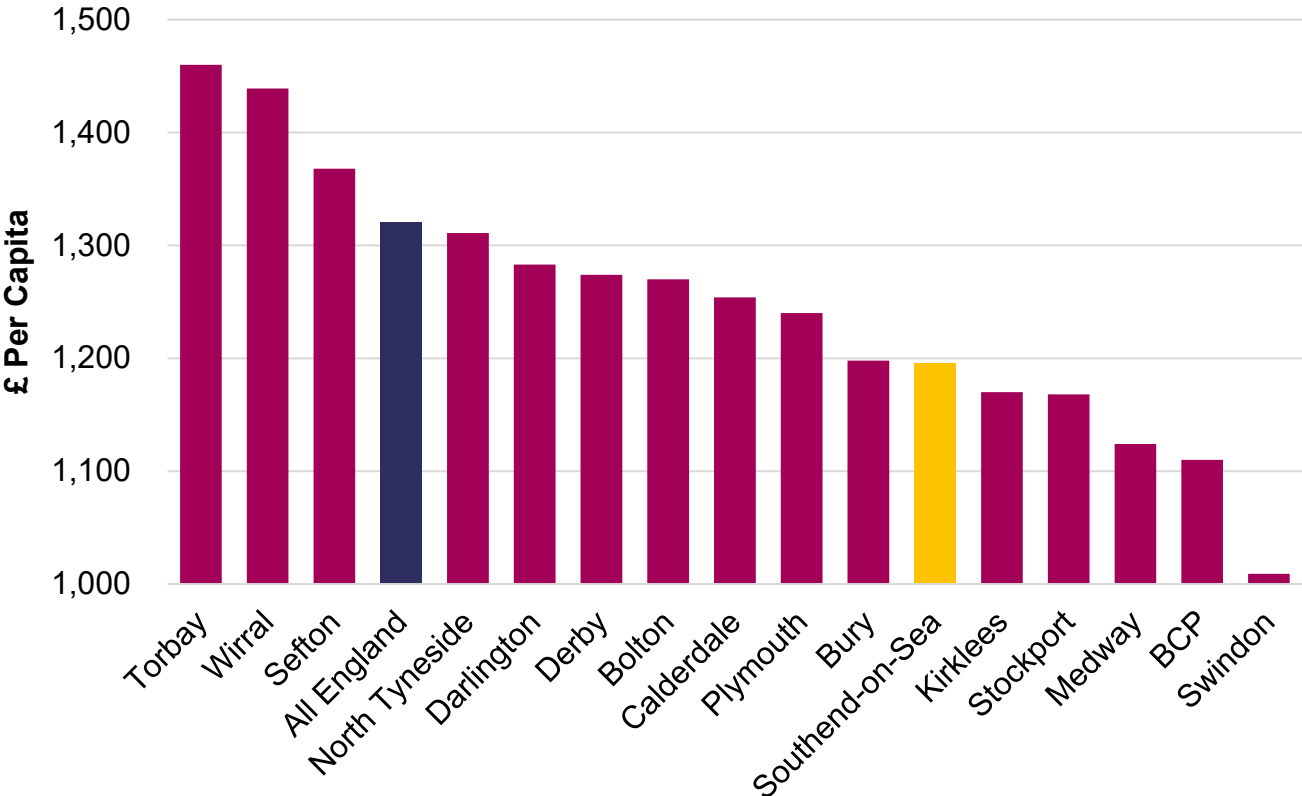
Ownership and accountability have been enhanced by ensuring that every initiative approved within the 2026/27 budget package has a named lead officer responsible for implementation. This is further strengthened by ensuring that every change is highlighted within the appropriate Service Plan for 2026/27 and the Corporate Leadership Team via the Transformation Board, will receive regular updates on the delivery of individual initiatives and the overall financial performance against the approved budget. This applies to all the following approved budget elements:

- Unavoidable cost pressures
- Budget savings and income generation proposals
- Overspending reduction initiatives
- Cost avoidance intentions

To inform and highlight our relative success in delivering the full range of unitary authority services locally with less resources – Figure 13 shows the core spending power per capita for all England and illustrates our position based on the spending power per capita against our nearest statistical neighbour comparator group.

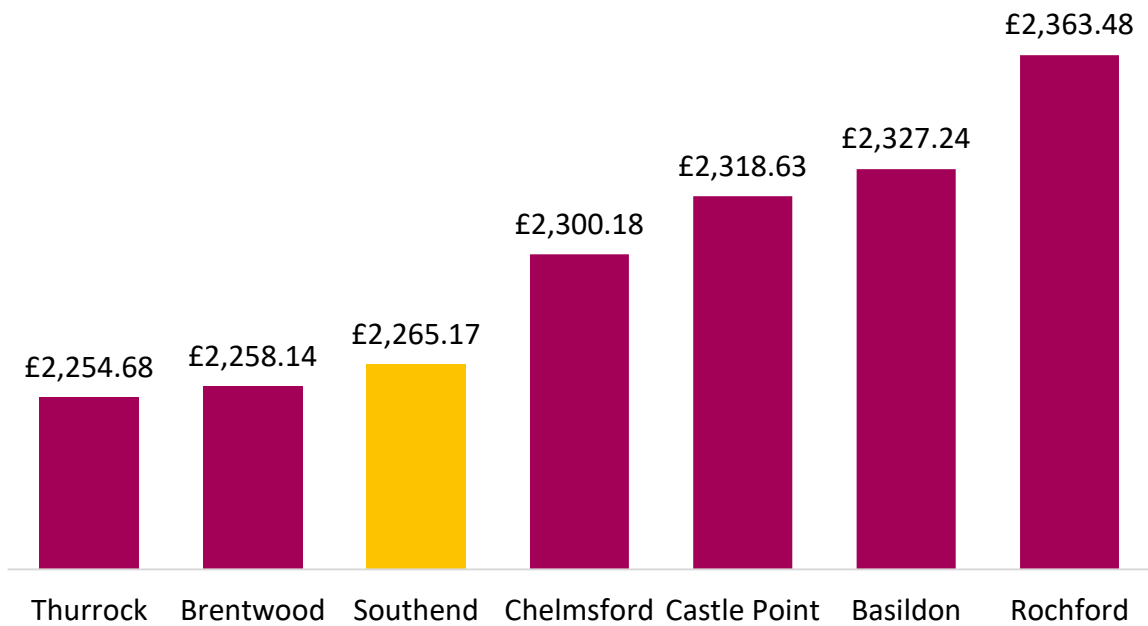
For 'spending power per capita' the Council ranks 11th out of 16 authorities within our group – which means that we have less comparable resources available to meet the relative needs of our residents, when compared with similar local authorities. Taken in isolation this does not mean that Southend-on-Sea provides better value for money services, but it remains an important consideration. As the CSR is for three financial years, we have provisional data for core spending power per capita in 2027/28 and 2028/29, the Council's ranking in the same comparator group is forecast to fall to 12th and then rise back to 11th.

Figure 13 Core Spending Power per Capita 2026/27



Equally from a local perspective we are also determined to minimise the financial burden on the local council taxpayer for Southend-on-Sea where we can. Figure 14 illustrates the level of area council tax (Band D equivalent) to be charged by Local Authorities from our nearest geographical neighbours in Essex for 2026/27. This is an important factor when considering Southend-on-Sea's commitment to providing value for money services that meet the needs of our residents. It is also worth noting that over 70% of properties in the City are in Council Tax bands A to C.

Figure 14 Council Tax Comparison - Band D 2026/27



Core Spending Power (CSP) calculations include both Business Rates and Council Tax income at an assumed collection rate, 99% and 100% respectively. The Council's actual collection rates for 2024/25 compared to its nearest statistical neighbour comparator group for Business Rates (Figure 15) and Council Tax (Figure 16) remains high. This is an essential element of the Council's financial performance as any amounts uncollected decrease the resources available to deliver services, an increase of 1% to the collection rate could generate an additional £0.4M from Business Rates and an additional £1.2M from Council Tax.

Figure 15 Business Rates Collection Rates 2024/25

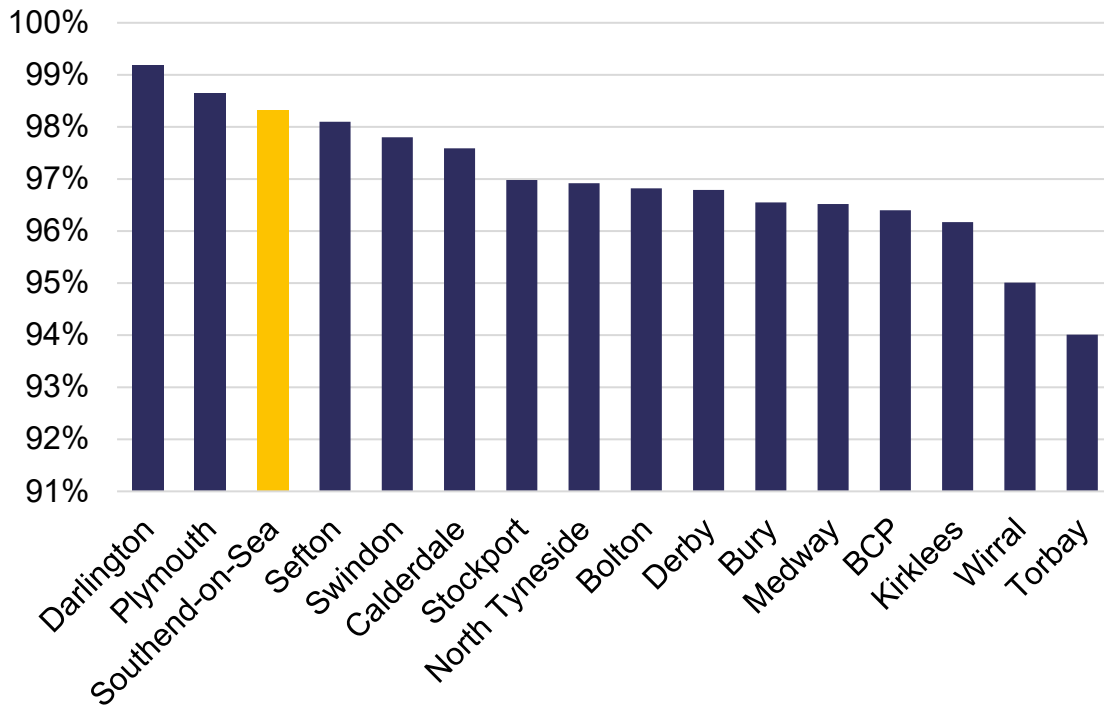
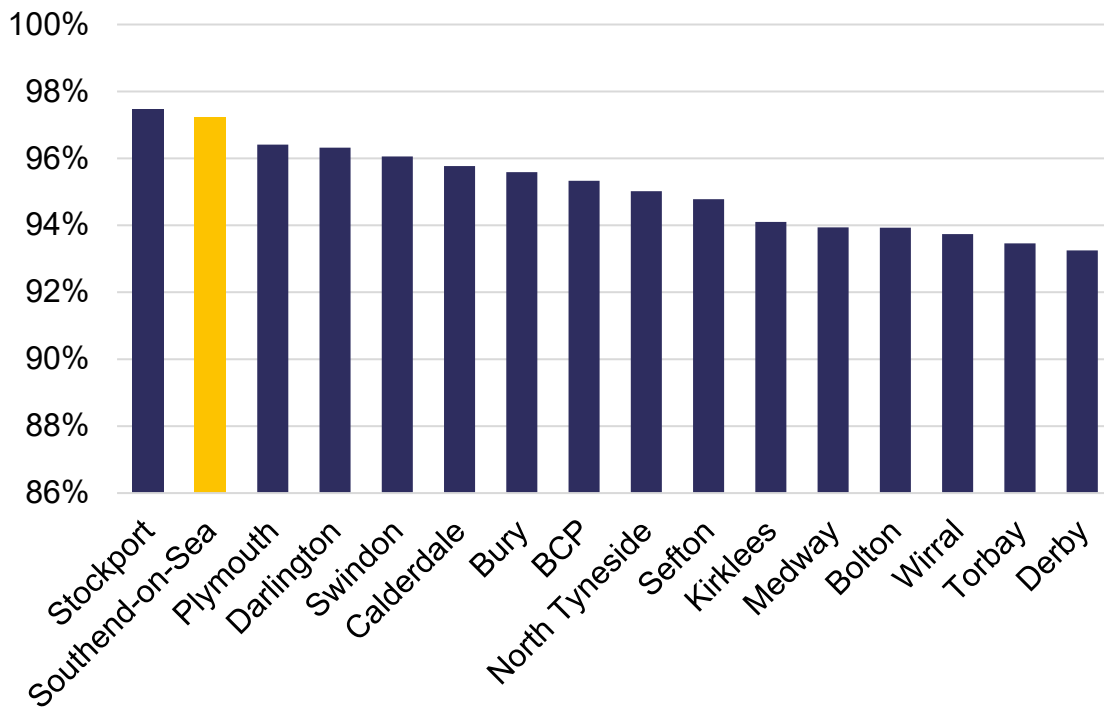


Figure 16 Council Tax Collection Rates 2024/25

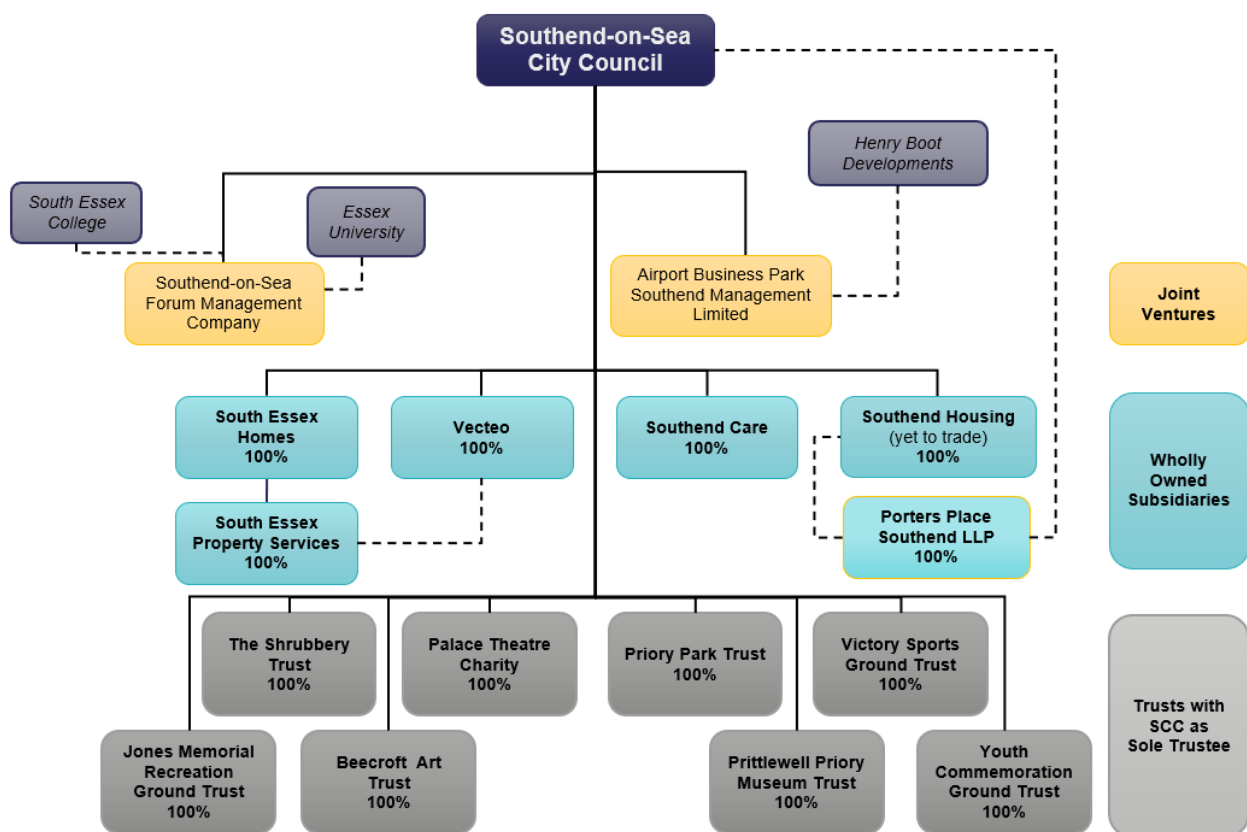


3.9 Alternative Delivery Vehicles and Governance Arrangements

By establishing ourselves as a commissioning council to deliver better outcomes it has also changed the way we work and invest. This new approach is evident by our adoption of a broader ‘best fit’ model of both service and delivery vehicles. We explore and then select the best set of arrangements to deliver our priorities in the most effective and efficient way. Getting the right outcome for the right people at the right price.

We have created several companies, joint ventures, and trusts that we believe are the right vehicles to deliver our priorities in their areas. This organic growth into a group structure (see Figure 17) has taken place over recent years. The Council currently directly owns five companies, participates in two joint ventures established as legal entities and is sole trustee to eight charitable trusts. We are also engaged in several partnerships and associations with other organisations.

Figure 17 Group Structure as at 31 March 2026



To provide a common unified formal governance structure between SCC and its group of companies and its joint ventures, and to ensure proper exercise of its role as trustee, the Council established a Shareholder Board in November 2017 and the arrangements have been kept under review. This has ensured that good proportionate governance is discharged but also that the Corporate Plan priorities are embedded and aligned within these delivery vehicles.

Each entity has its own internal governance arrangements. The wholly owned companies have governance arrangements compliant with the Companies Act. The joint ventures essentially follow these same arrangements and the Trusts, although subject to the Charities Acts, are not managed as separate entities but managed as part of the Culture service area and work in compliance with SCC’s own good governance arrangements.

3.10 Financial Pressures and Key Service Demand Trajectories

There are several financial pressures faced by SCC. These challenges are reported to the Corporate Leadership Team, Councillors, and other stakeholders as part of the budget monitoring and financial performance reports on a regular basis. A number of these are demand led pressures which are generally replicating the challenges faced by most upper tier local authorities right across the country. It is important that these pressures are identified, key drivers behind demand trends are understood and wherever possible mitigated to ensure that sound financial and service resilience is maintained during these difficult times.

Social Care – Children

Figure 18 shows Southend’s numbers of Children in Care since 2017. In recent years, the lowest Children in Care numbers were 274 in April 2021 and have since risen to a level of 330 at 31 January 2026. At 31 March 2025, according to benchmark analysis taken from the Department for Education (DfE) statistical neighbours for the numbers of Children in Care, Southend-on-Sea was around 10% higher than the average as shown in Table 7. Southend’s strategy remains to reduce the number of Children in Care by supporting and championing early intervention, prevention and support for local families, this will also be further developed and shaped through the Family First partnership programme.

Figure 18 Number of Children in Care

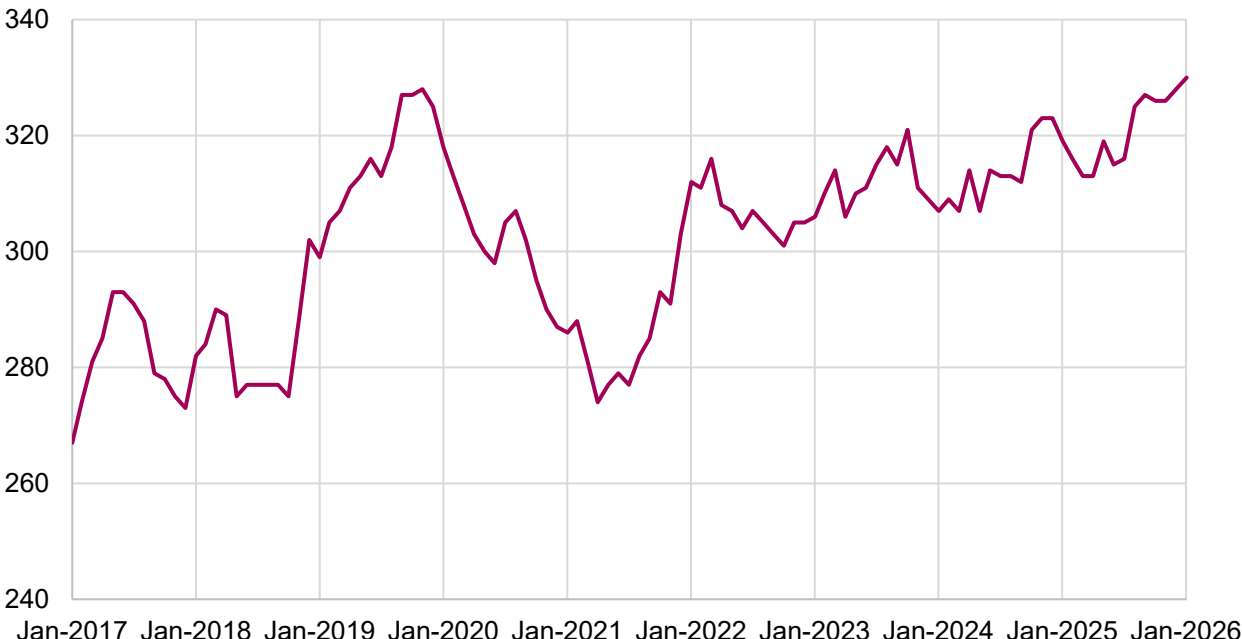


Table 7 Rate per 10,000 of Children Population of Local Area

	DfE Southend on Sea Statistical Neighbours	31 March 2021	31 March 2022	31 March 2023	31 March 2024	31 March 2025
1	Portsmouth	91	93	82	94	93
2	North Tyneside	69	82	85	83	91
3	Leeds	75	81	84	89	85
4	Bury	79	82	79	78	82
5	Southend-on-Sea	73	83	81	79	80
6	BCP	59	67	70	73	75
7	Milton Keynes	57	52	50	56	68
8	East Sussex	60	61	64	63	66
9	Bedford Borough	66	66	65	60	59
10	Kent	53	53	56	56	53
11	Bexley	41	41	46	50	49
	Average of Statistical Neighbours	66	69	69	71	73
	Southend-on-Sea % above average.	11%	20%	17%	11%	10%

Whilst Southend-on-Sea's numbers of Children in Care remain above the statistical average, the key dimension and one of the most significant financial pressures (which is also a recognised national issue) is the increased demand on Children in Care external care placement budgets. This has been caused by a combination of much higher average costs of external individual residential care placements and higher cost support accommodation placements. These have risen considerably since 2022/23 alongside a sustained reliance on external fostering placements since 2019/20 through to 2025/26. Whilst reliance on external foster care placements has now reduced slightly from 2023/24, it is the rising costs of residential care placements that have continued to increase in 2024/25 and rise even further throughout 2025/26. This is having a significant financial impact. As reported throughout the Council's 2025/26 budget monitoring updates, significant work has continued to try to reduce placement costs, but it remains the biggest financial challenge facing the Authority. This is continuing due to a combination of an increase in the complexity of cases locally and market conditions. Residential placement capacity in the market is very limited; competition is high for each required individual placement between Local Authorities. These market forces then combine which is resulting in a perpetual increase in prices.

Figure 19 highlights the trend of increased reliance on external foster care placements compared to our own provision including local inhouse foster carers. The strategy remains to reduce reliance on external care placements and increase and strengthen Southend's own inhouse foster care provision. The ambition continues that with the support of the new inhouse foster care remuneration offer from 1 April 2023 that this trend can now be reversed, which would provide better outcomes for children and improved VFM for the local taxpayer.

Figure 19 Average Number of Children in Care Placements for Residential and Fostering

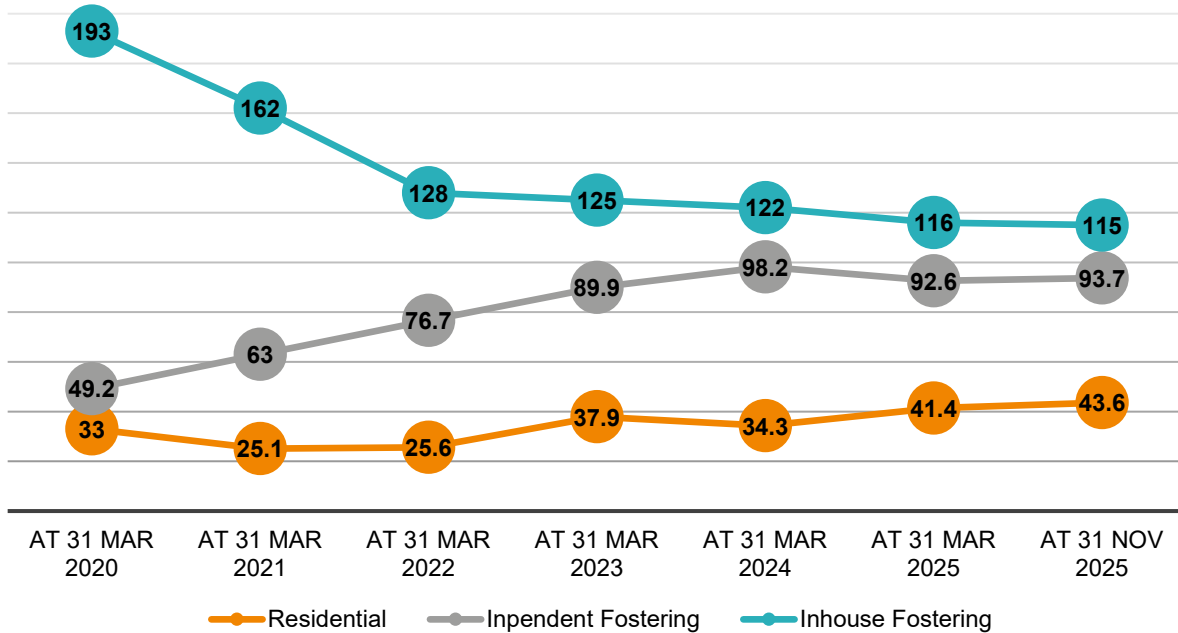


Figure 20 highlights the average cost of residential, external and inhouse fostering arrangements since 2019/20. The significant financial risk which is both a local and national issue is the cost of residential placements which started to increase considerably from 2022/23. In broad terms, residential placements are only used where the child’s care needs cannot be met by a fostering placement.

Figure 20 Average Weekly Social Care Cost of Children in Care in Residential and Fostering

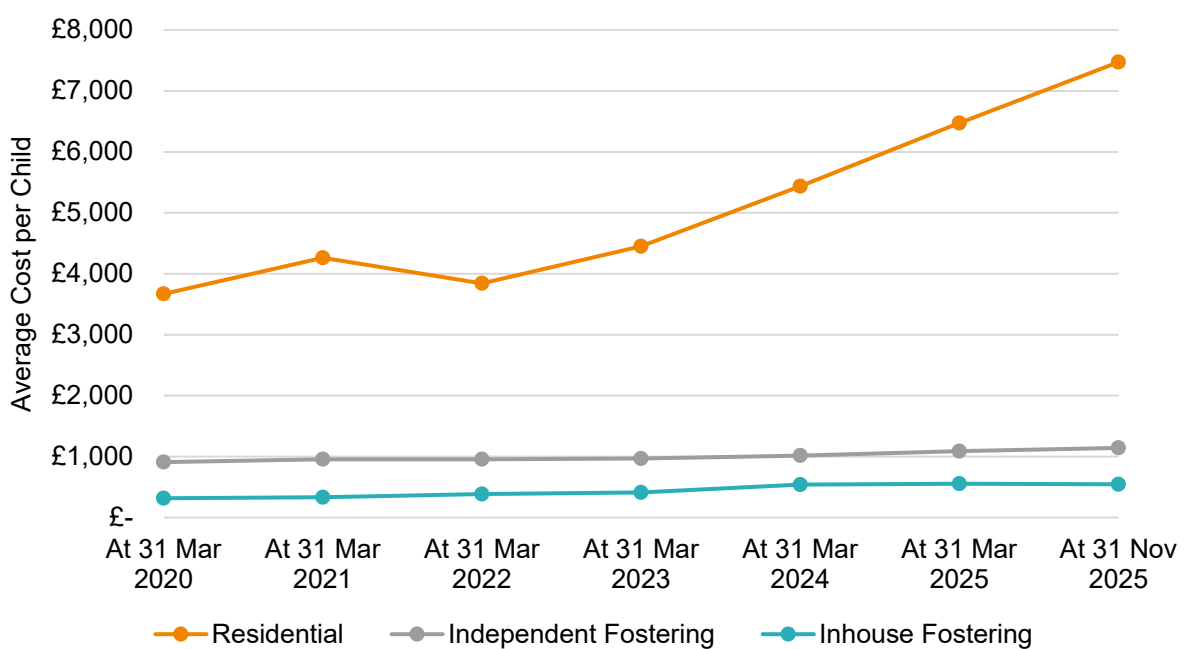
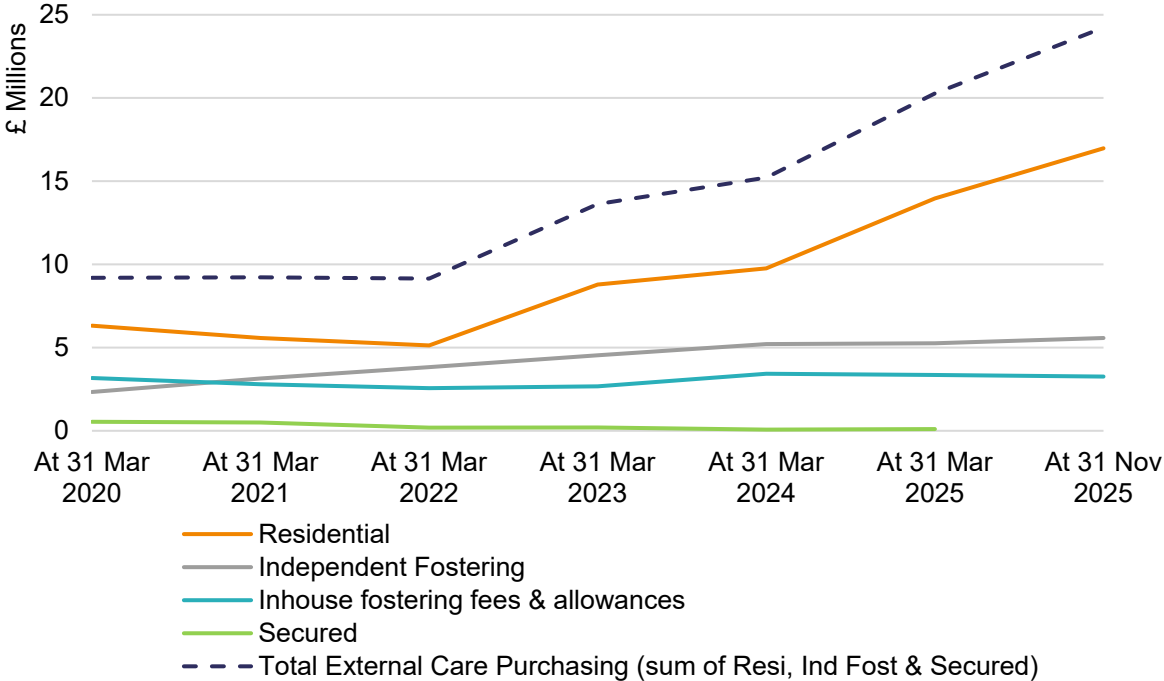


Figure 21 summarises the total cost of children external care placements for residential, secured and fostering both inhouse and independent since 2019/20 and clearly illustrates the increased cost for residential as highlighted in Figure 20 which is mainly driven by increased prices.

Figure 21 Placement Costs for Children in Care including Residential & Fostering



Housing and Homelessness

SCC did not use any bed and breakfast accommodation until 2017/18 when the Homelessness Reduction Act was implemented. In addition, since 2017, Queensway voids have not been re-let on secure tenancies and instead deployed as temporary accommodation. This has therefore meant that the supply of social housing that would have otherwise been available to discharge a homeless duty into has been reduced. It is also extremely difficult to find accommodation in the private rented sector that falls within Local Housing Allowance (LHA) rates/the housing element of Universal Credit.

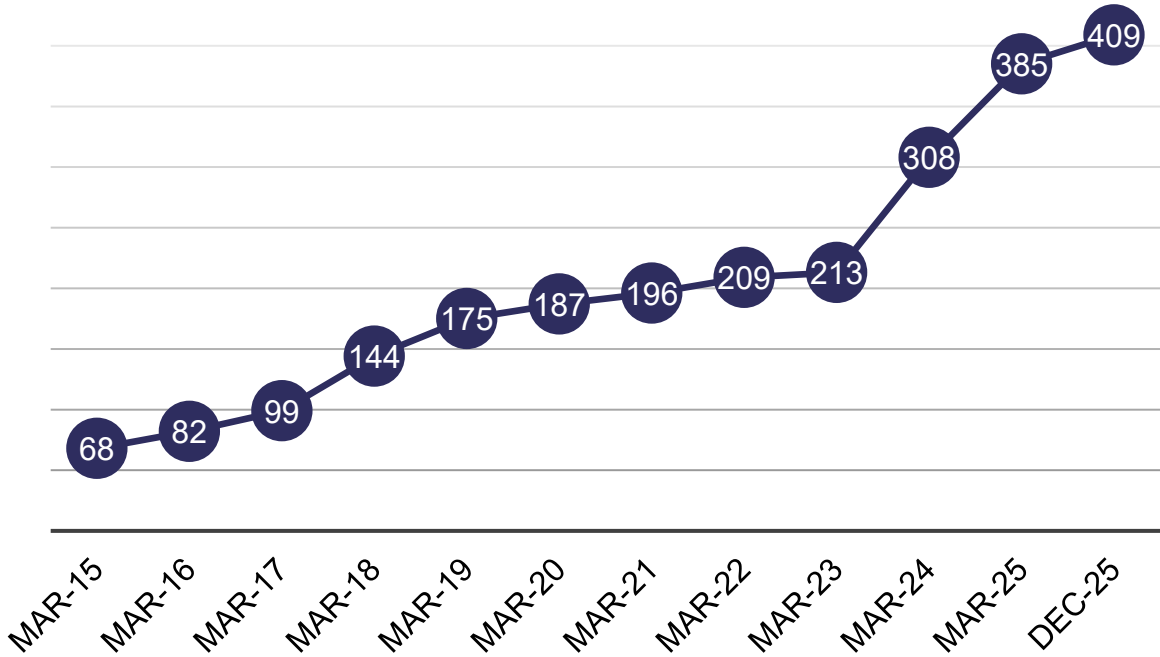
Historically, we used our hostels for temporary accommodation, but demand has continually increased to such an extent that we have been forced into regularly using bed and breakfast accommodation, nightly lets, vacant Queensway units, and SCC’s temporary accommodation, to meet our statutory duties. The lack of affordable housing in the private or social sector makes it very difficult to move households on locally from temporary accommodation.

At the Autumn Budget 2023, the chancellor confirmed that LHA rates were to be restored to the 30th percentile from April 2024, which increased affordability for some. This meant that more households may have been able to resolve their own housing needs without approaching SCC, and SCC may be able to move more 'homeless households' into the private rented sector. However, it should be noted that the benefit cap (£22,020 for a family in Southend-on-Sea) has not been increased. With LHA rates rising, more households are likely to be pushed over the benefit cap threshold and thus have the LHA increase negated by the cap, cancelling out the full effect of any increases in benefits. This will mean that large, non-working households will remain extremely difficult to find alternative suitable accommodation for. Although the LHA rate was increased in 2024, this was a one-off increase which has not continued since, so it is expected that any relief from the uplift will be short lived and that demand for temporary accommodation will remain strong – which is expensive to service.

The Valuation Office (VOA) are due to review the Broad Rental Market Area (BRMA) during 2026. This review may have an impact on the LHA rate used in Southend if either the rental market has increased, or the area itself is reviewed. This will be factored into any future financial planning once the outcome has been delivered.

Figure 22 highlights the scale of the challenge and shows the number of households placed in temporary accommodation since 2015.

Figure 22 Number of Households in Temporary Accommodation



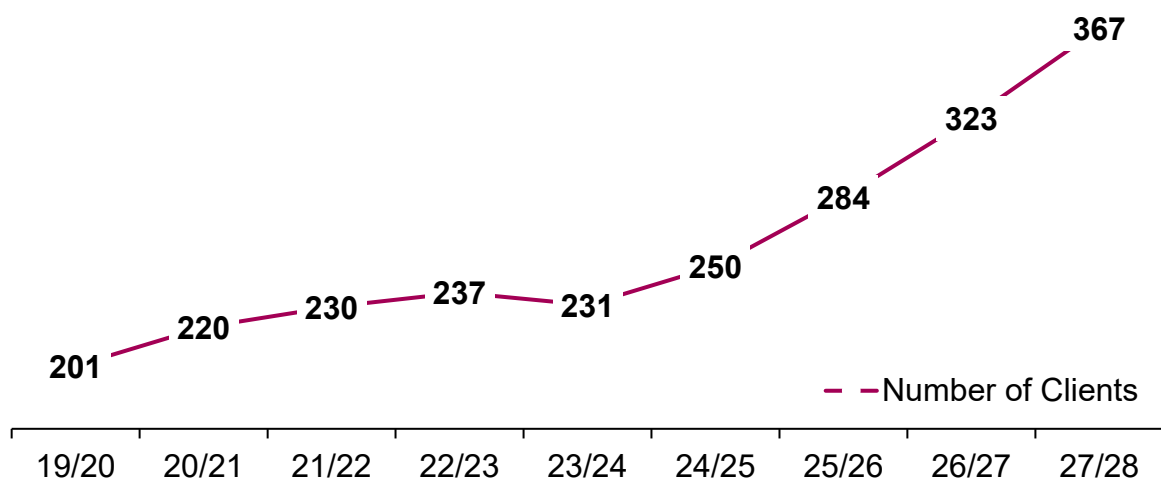
To help with this challenging issue we have received extra resources from the enhanced homelessness/rough sleepers initiative that was launched by the government in January 2020. These grants have now been consolidated into the Homelessness, Rough Sleeping and Domestic Abuse Grant which is part of our financial settlement. In 2026/27 we have secured **£3.155M** for these range of services.

Social Care – Adults with Learning Disabilities

One of the continuing demand pressures in adult social care is the increasing number of adults with learning disabilities. The two main sources for the increases are through transitions from Children’s services or because of a breakdown in historical family arrangements, resulting in parents or relatives seeking more help and support or in some cases being unable to continue to look after them. This has resulted in an increase in the number of permanent supported living and residential placements, though the pressure has been reducing, it is anticipated to continue over the medium term.

Figure 23 illustrates the forecast increase in the number of clients with learning disabilities that may require permanent supported living and residential placements.

Figure 23 Learning Disability Supported Living and Residential Placements.

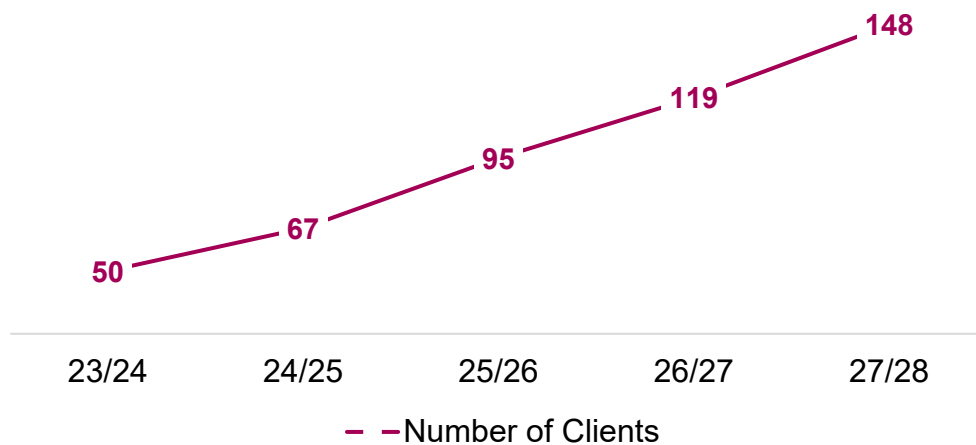


Social Care – Mental Health

The new Mental Health Bill 2025 aims to modernise the Mental Health Act (MHA) 1983, with the aim of improving the rights of people through improving choice, ensuring dignity, minimizing the restrictions on liberty and limiting the use for certain populations, for example those with autism or learning disabilities. The Act will have a significant resource implication for local authorities, both operationally and for the provision of care and support packages. The timeline for the implementation of the Mental Health Act 2025 is still to be published; however, it is believed the duties for Councils is likely to be introduced in 2026/27, with full implementation anticipated to take 10 years.

In September 2024, the Section 75 agreement whereby Essex Partnership University NHS Foundation Trust (EPUT) provided the assessment and care management of mental health placements was terminated. As a result, the staff transferred back to the council, at this point it was anticipated that demand would increase. Since then, the number of care and support packages, particularly for supported living placements had been on the increase (Figure 24).

Figure 24 Mental Health Supported Living Placements



Social Care – Physical and Sensory Impairment

There has been an increase in the number of people requiring support with the primary support reason of a physical or sensory impairment. The most significant support area is around home care, where the volume has increased steadily, with a significant proportion requiring double handed care. This trend seems to be continuing in the short to medium term.

Social Care – Older People

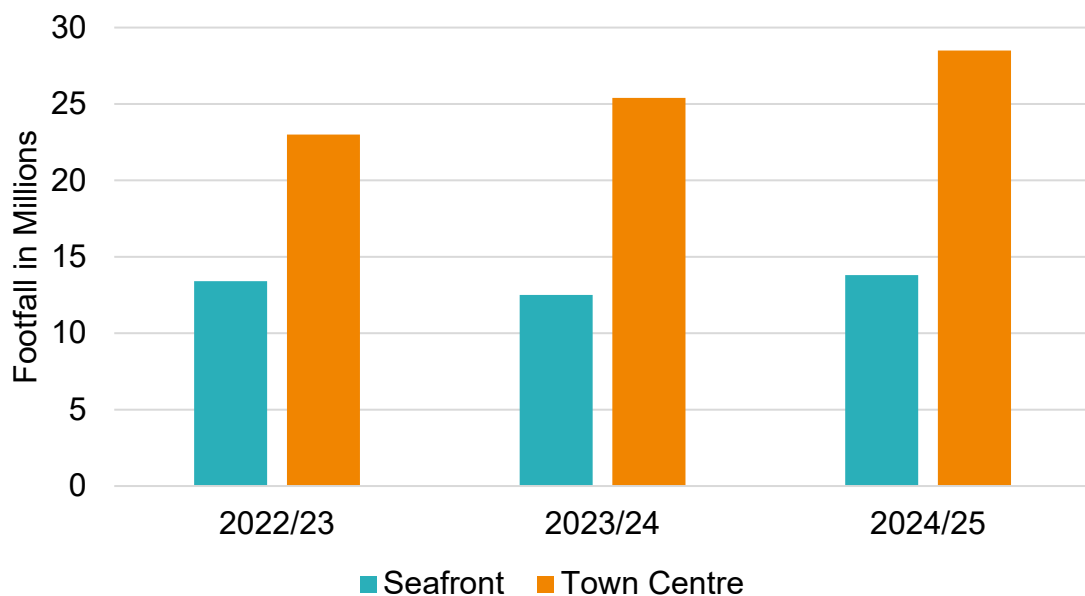
Southend-on-Sea has an above average number of older people aged over 65, with the number of older people requiring support from the council continuing to increase over the last year. Several older people who have depleted their assets which were funding their care privately are having their care and support packages transferred to now being paid for by the Council. This is a trend nationally, however with an above average number of self-funding clients in Southend-on-Sea, this does pose a disproportionate greater financial risk to the Council, than potentially in other areas.

The impact of the change to the National Insurance thresholds and the national minimum wage both have a significant impact on the cost of the provision of care with most of the costs being directly related to staffing arrangements. This increases the risk of self-funding people reaching the cap for their care costs or for depleting their assets quicker than originally forecast.

Infrastructure and Environment – Visitors

Southend-on-Sea continues to be an attractive tourist destination for both day-trippers and overnight stays, with the number of visitors plateauing around **7 million**. Visitors bring with them a great economic benefit to the city but also have an impact on our infrastructure and environment which needs to be carefully managed and resourced. A recent contract provides Geofencing data, which counts the number of mobile phones that have passed through the fenced areas, a measure referred to as ‘footfall’. Two such footfall areas have been created, the Seafront and Town Centre, and whilst this includes both visitors and residents, it does highlight the need to appropriately manage these parts of the city to handle this influx. Events continue to be staged throughout the year, to generate interest of both residents and increase visitor numbers to the city and local economy.

Figure 25 Footfall in Southend per year



Digital Transformation Strategy

The Digital Transformation Strategy is the next logical step in the Council’s transformation journey and builds upon the work done to modernise the technology estate over the past years.

Southend’s technology modernisation journey has transformed the underlying technology stack, upgrading, rationalising and modernising and moving everything that can be moved to SaaS or Cloud. The Council now operates largely digital solutions for most services, staff are able to work remotely from anywhere, creating a more cost effective, and future proof digital estate. Work is still taking place to improve resident facing solutions, and automate key services, reducing the burden on officers and freeing them to focus on more complex resident services.

The transformation strategy builds on the solid technology foundation already created to deliver true digital transformation. Key aspects of this digital transformation strategy are to build skills and understanding of digital and data within officers; to optimise processes and automate these, bringing efficiency and effectiveness; to enhance and expand the use of data for decision making; to ensure that residents have access to digital inclusion activities and at the same time, ensure that the council and residents data is kept safe and secure.

The demand for digital or data projects has doubled since the modernisation reflecting the strong desire of services to improve efficiency and effectiveness and to embed effective digital solutions in some service areas.

In order to support the digital transformation, the modernised technology estate needs to be maintained through maintenance and licensing management and a robust digital asset management approach. A common data platform is key to the more impactful use of data in the digitally transformed future and is a key element of the strategy.

Digital learning for officers, and residents is critical to building digital and data maturity across the Council, and wider, and the digital transformation strategy makes provision for programmes to uplift these skills.

The increased reliance on digital solutions reduces the reliance on human driven services bringing efficiency. This efficiency is not however cost free as it increases the demand and cost of technology services through equipment, licensing, maintenance and skills. This cost is less than human driven and manual services, and more effective and efficient. Careful considerations are also being made as part of the preparation and implementation of LGR for Greater Essex.

3.11 Unavoidable Cost Pressures

The level of resources available for revenue and capital investment are subject to extensive challenge and prioritisation to ensure that investment is designed to have a positive impact and is aligned to deliver the Corporate Plan priorities.

For revenue prioritisation of identified unavoidable cost pressures, careful assessment was given to the current demands and pressures for existing local priority services, the future requirements needed to continue to respond positively to increased demand pressures and to a range of initiatives that are not only aligned to our Corporate Plan priorities but would also have a value for money impact in providing better outcomes for Southend residents. Analysis of the feedback from the range of consultation and engagement exercises undertaken throughout 2025/26 has also directly influenced the overall proposed budget package for 2026/27.

For capital prioritisation of proposed investment, this is achieved through application of the Capital Investment Strategy 2026/27 – 2030/31. This is a key document which forms part of the authority's integrated revenue, capital, and balance sheet planning. It provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of the Council's priorities. It includes an overview of the governance processes for consideration, prioritisation, and approval of capital investment (where appropriate).

Table 8 is a summary of the revenue investments and unavoidable cost pressure and the capital investment included within the 2026/27 budget grouped by Corporate Plan theme (where appropriate).

Table 8 Revenue and Capital Investments by Corporate Plan Theme

Corporate Plan Theme	Revenue (one year) £000s	Capital (5 year) £000s	One-off £000s	TOTAL £000s
Proud and prosperous	50	3,875	19	3,944
Safe, clean and green	740	15,285	38	16,063
Caring with a good quality of life for all	14,210	18,225	1,958	34,393
Led by a transformative, responsive council	280	-	826	1,106
Unavoidable corporate cost pressures*	5,605	-	-	5,605
Total	20,885	37,385	2,841	61,111

* Includes employee pay awards, increments, contract & energy inflation, income budget rightsizing and capital programme costs.

3.12 Income Generation and Commercial Opportunities

All services are expected to undertake a comprehensive review of all potential income streams and commercial opportunities where appropriate. Development of a new Commercialisation Strategy remains under consideration and training and awareness sessions which share best practice and highlight commercial success from both within and outside the organisation are continuing.

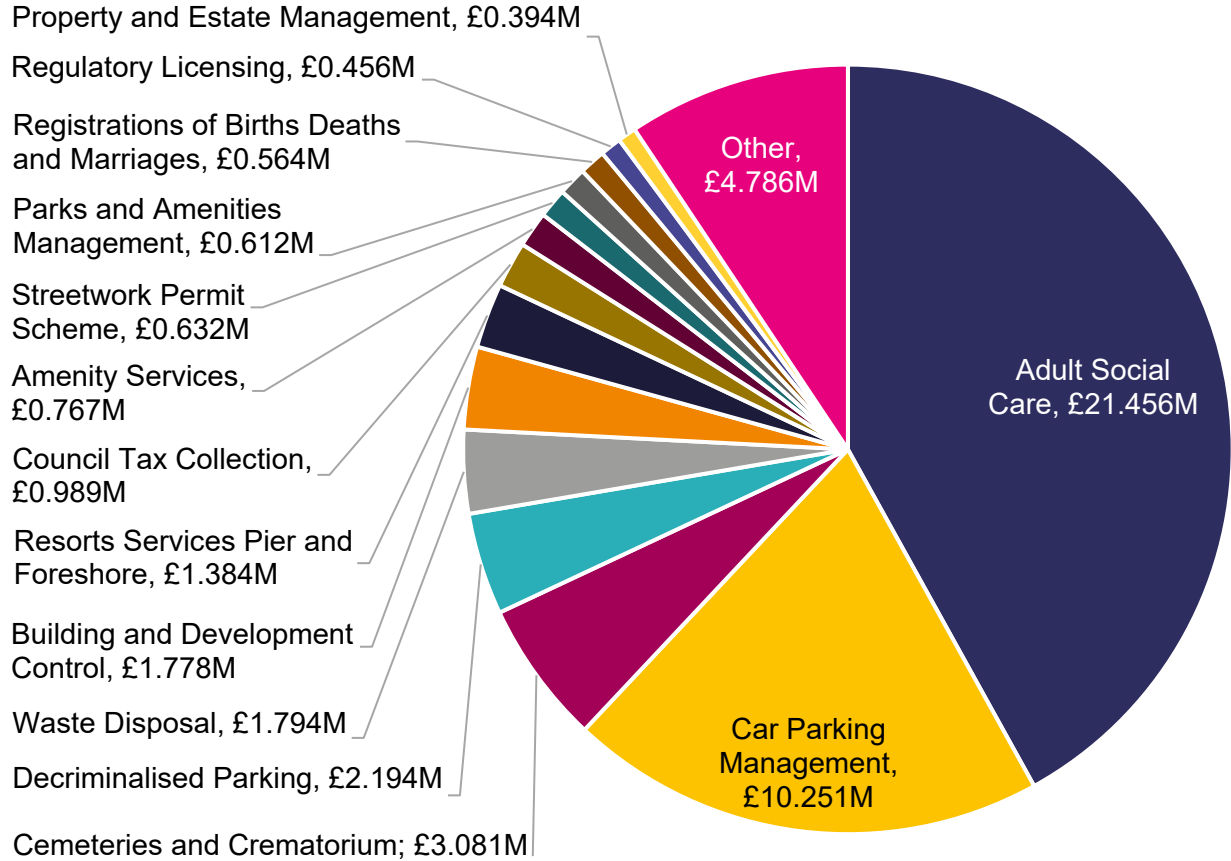
All service leads and managers will be supported to gain a better understanding of the financial performance of their business areas. This will include highlighting what scope there is for reducing subsidy, managing demand, exploring new income and commercial opportunities to ensure the best value for money is delivered for the residents of Southend-on-Sea. The extended corporate leadership team now meet regularly to consider ways of improving efficiency, productivity, and performance to get the most impact and better outcomes from each £1 that is invested locally.

All members of this leadership group have previously had a specific performance objective included within their annual conversations that requires them to evidence value for money outcomes within their individual teams/service areas.

Service leads will take full ownership and accountability for the fees and charges generated, support and benchmarking intelligence will be provided to give assurance that the charges are appropriate, proportionate and are applied correctly within their individual Directorate/Service Plans.

Fees and charges are received from a wide range of services and the following pie chart illustrates (Figure 26) the varied scale of where this income is generated from in relation to the 2026/27 budget.

Figure 26 Breakdown of Fees and Charges 2026/27



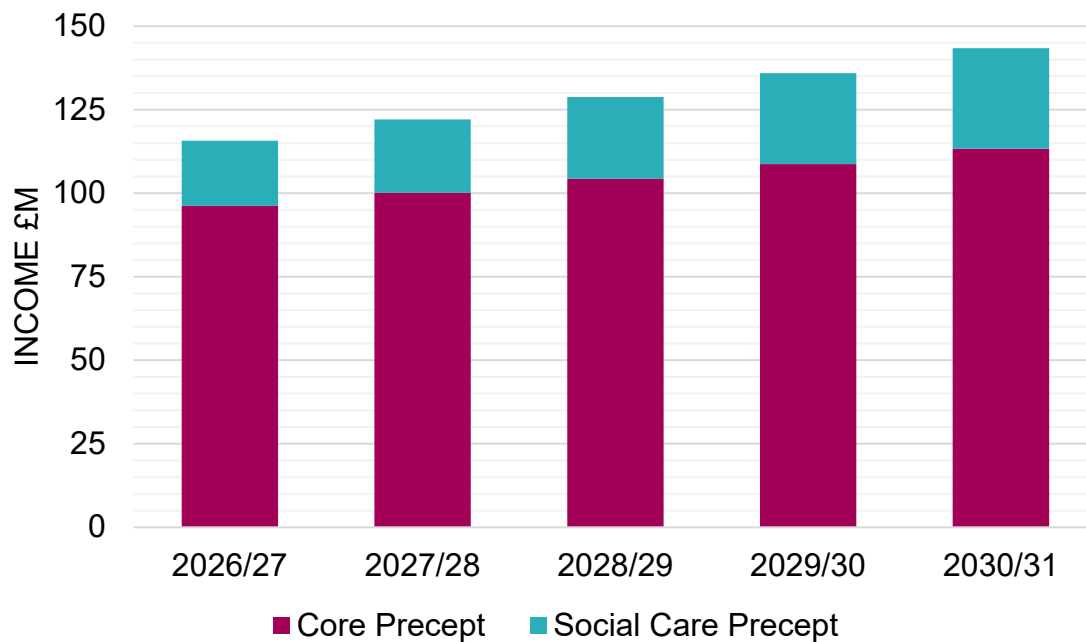
As required by the Road Traffic Regulations Act 1984, any surplus generated from parking activity (Car Park Management and Decriminalised Parking) must be reinvested into eligible service areas. Consideration is made when generating income in these service areas that the funds received are spent in accordance with this requirement and to support this a Parking Account is published each year to demonstrate how this has been achieved.

3.13 Council Tax

The MTFE assumes an increase in the Council Tax base of 0.5% per year from 2027/28 to 2030/31. The Council also plans to release accumulated collection fund surpluses in 2026/27. The scale and profile of the release of these surpluses over the medium term will be reviewed following the finalisation of the outturn for 2025/26.

Figure 27 illustrates the current forecasted level of Council Tax and Social Care Precept until 2030/31.

Figure 27 Income from Council Tax and Social Care Precept



3.14 Housing Revenue Account

The Housing Revenue Account (HRA) is a ring-fenced account which stands apart from the General Fund, although there are charges between the two funds to reflect Service Level Agreements and appropriate costs of eligible corporate support services.

The HRA is the statutory “landlord” account for the authority. SCC is obliged by law to set rents and other charges at a level to avoid a deficit on the HRA balance. The HRA estimates have been prepared alongside South Essex Homes and incorporate their management fee bid.

There is major investment via the HRA Capital Programme of **£67.239M** planned over the next five years. This will ensure that we maintain decent homes and improve those homes that need it. These types of works will include electrical wiring, bathroom installations, new roofs, new kitchens, new windows and door replacements and installation of new more economical and energy efficient boilers. This investment will also deliver our new build and housing acquisition programmes.

There is also a £100M investment which is currently ‘below the line’ subject to the development of viable business cases to support the Housing Pressures Action Plan which was agreed at Cabinet in July 2025 and ratified in the 2026/27 budget. These planned investments will be managed through an appropriate set of governance arrangements.

In October 2017, the government announced its intention to set a long-term rent deal for both local authorities and housing associations. This allows rent increases to be set up to the level of CPI measured in September each year plus 1 percentage point from 2020/21. Except for a Central Government imposed 'one-off rent cap' in 2023/24 with the intention to mitigate for tenants the high levels of inflation that was being experienced at that time, this rent formula is forecast to continue throughout the term of the MTFs. This arrangement has been extended to March 2036.

A programme of rent convergence has also been published by the government to enable tenant rents to align with the formula rent calculation. This programme will begin from April 2027 allowing Social Housing landlords to charge up to £1 per week more than CPI + 1%.

Table 9 provides a summarised extract of the approved 2026/27 HRA budget and illustration for the next 5 years. The estimated operating surplus will be utilised to fund capital expenditure and / or appropriated to earmarked reserves to continue to demonstrate the sustainability of the HRA over the medium term.

Table 9 Summary of Approved 2025/26 HRA Budget Forecast

	2026/27 Forecast £000s	2027/28 Forecast £000s	2028/29 Forecast £000s	2029/30 Forecast £000s	2030/31 Forecast £000s
Revenue Contribution to Capital Outlay*	14,198	4,099	1,000	1,000	1,000
Potential Impact of Queensway	0	200	200	200	200
Appropriation to/(from) Earmarked Reserves	(7,923)	1,860	5,523	6,387	7,174
Net Operating Expenditure/ (Surplus)	(6,275)	(6,159)	(6,723)	(7,587)	(8,374)

As part of the 2024/25 HRA budget and rent setting report, a new 30-year business plan was approved and published. A clear business plan is essential for effective decision-making, resource allocation, and the delivery of quality housing and vital related services to our communities. It helps to outline the ambition and long-term intentions of meeting local housing needs. The plan is underpinned by a robust financial model with several assumptions contained within it. These will be reviewed periodically along with the business plan to ensure that we remain on track to deliver our ambitions within the resources which are available.

Porters Place Southend-on-Sea LLP was established to deliver our ambitions Better Queensway regeneration programme. Swan BQ Limited was later acquired by Sanctuary who subsequently exited as a member of Porters Place Southend-on-Sea LLP on 28 November 2023 and Southend Housing Limited was appointed as a member on 19 June 2024. SCC has 99.9% of the voting rights with Southend Housing Limited having the remaining 0.1%. Porters Place Southend-on-Sea LLP is treated as a wholly owned subsidiary.

The Council remains fully committed to the Better Queensway regeneration scheme for the benefit of the residents of the estate and is currently exploring alternative options to progress the scheme. As with the original approved scheme any alternative packaging or phasing of the development will require the securing of funding from external partners and a compelling case for investment is crucial to delivering the ambitious transformation desired.

To get the area ready for future housing development, the highways infrastructure works have now started, with the removal of the Queensway footbridge. The road and drainage improvements will continue with:

- removing the underpass and bringing the road up to street level, to make it easier to walk, cycle, and drive through the area
- making the roundabout smaller to help calm traffic and improve safety
- replacing the footbridge with safer, more accessible crossings
- installing drainage tanks to help manage rainwater and reduce the risk of flooding

3.15 Asset Management Plan

The Corporate Asset Management Strategy (CAMS) sets out the way in which SCC makes decisions on asset related matters and identifies procedures and governance arrangements to monitor and improve the use of its assets to increase efficiency and maximise returns. The plan is reviewed annually alongside the MTFs and updated as appropriate.

The CAMS divides all SCC's assets into five blocks. These are:

- Investment Assets – SCC's investment portfolio, its properties or land held specifically for the generation of rent or capital growth.
- Assets for Regeneration – those assets acquired, held awaiting or already under redevelopment in support of SCC's current and future objectives.
- Assets held for sale - Surplus Assets – which have no sound case for retention.
- Property Plant and Equipment – this block includes all SCC's Operational Buildings (those involved with service provision) and its Non-Operational Buildings (those not held for service delivery), as well as its equipment, vehicles, and infrastructure.
- Trust Assets - assets held under Trust.

Some assets sit within specific policy and legislative frameworks or are important by virtue of specific features of Southend. These are housing, highways and transport assets, schools and children centres, car parks, listed buildings and designated areas, and the sea defences and cliffs.

The CAMS brings asset-related decision making (on acquisition and disposal) together with the procedures guiding investment through the Capital Investment Programme.

The CAMS was comprehensively reviewed and updated for the period 2015 – 2025 and was approved at the Cabinet meeting in September 2015 to provide high-level strategic focus to enable flexibility over the plan period and to reinforce the current Vision and Strategic Aims of the CAMS that all the Council's assets are corporately held and managed strategically to:

- Support the Corporate Plan priorities and effective service delivery.
- Support regeneration and development and enable the Council to achieve its agreed Outcomes.
- Rationalise, develop, and improve the portfolio to underpin the capital investment programme and revenue budget through development, commercialisation, property acquisition and disposals.
- To enable co-location and integration with partners.
- To support the Council's high priority major projects such as, and including Better Queensway, Airport Business Park, Care and Learning Disability re-provision, and the Housing Acquisition Programme.

As the current 10-year period for the plan has come to an end the plan is currently undergoing a fundamental refresh to make it fit for purpose for the next 10 years on the way we manage, maintain and develop our Estate. It will reflect the work of the Council's new transformation programme and in particular the work of the "Our Future Estate" workstream. The next 10-year plan covering the period 2026 - 2036 for our Council's estate will be presented to Cabinet by the middle of 2026. In the meantime, the current plan is sufficient and robust for use until the new 10-year plan is adopted.

3.16 Capital Investment Programme

Capital expenditure is incurred on the acquisition or creation of assets, or expenditure that enhances or adds to the economic life or value of an existing fixed asset which is needed to provide services such as housing, schools, and highways. Fixed assets are tangible or intangible assets that yield benefits to SCC generally for a period of more than one year, e.g., land, buildings, roads, vehicles. This contrasts with revenue expenditure which is spending on the day to day running costs of services such as employee costs or supplies and services. Under normal circumstances, capital grants, borrowing and capital receipts can only be spent on capital items and cannot be used to support the revenue budget. However, it should be noted that revenue funding can be used to support capital expenditure.

The Capital Investment Strategy covers all capital expenditure and capital investment decisions, not only as an individual local authority but also those entered under group arrangements. It sets out the long-term context in which decisions are made with reference to the life of the projects/assets.

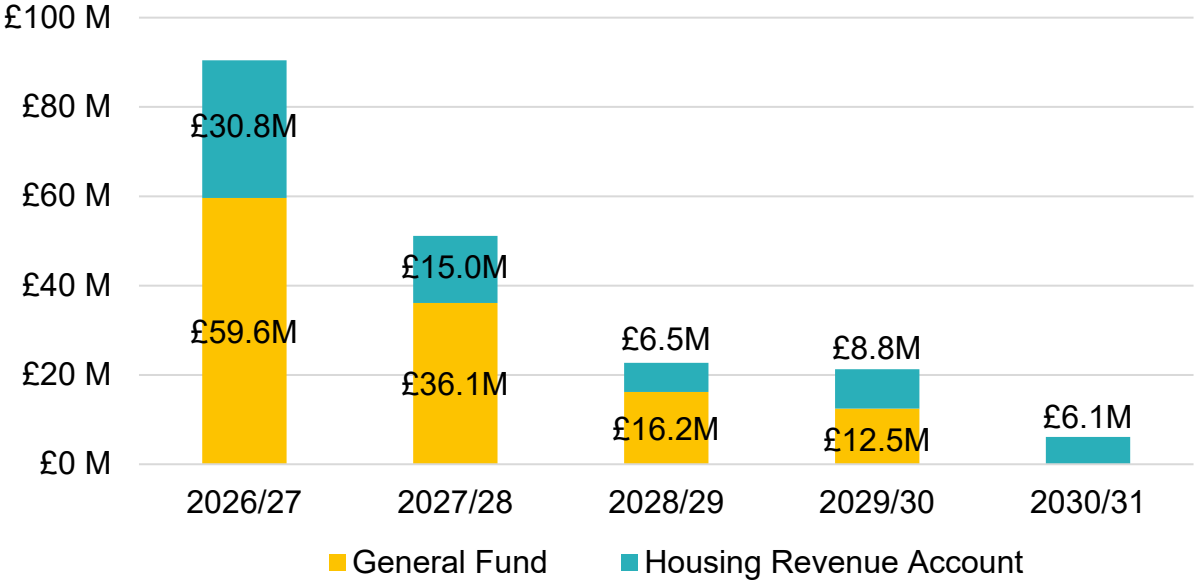
It is a key document and forms part of the authority’s integrated revenue, capital, and balance sheet planning. It provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of desired outcomes. It includes an overview of the governance processes for approval and monitoring of capital expenditure and how investment decisions take account of stewardship, value for money, proportionality, prudence, sustainability, and affordability. It also provides an overview of how associated risk is managed and the implications for future financial sustainability.

The capital investment programme is prepared and developed in accordance with the Capital Investment Strategy. In turn, the Capital Investment Strategy has been written in the context of the Corporate Plan and all capital investment is therefore driven by the aim of contributing to the delivery of the Council’s vision, the desired outcomes and the agreed priorities.

The resulting new planned investment into the capital investment programme for the next five years is shown at paragraph 3.11.

The proposed total capital investment programme over the next five years is illustrated in Figure 28.

Figure 28 Proposed Capital Investment Programme



3.17 Treasury Management Strategy

The Treasury Management Strategy covers an area of activity which includes the management of the council’s cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks.

In compliance with the CIPFA Treasury Management Code of Practice the Council's treasury management strategy comprises:

- the Treasury Management Policy Statement.
- the Treasury Management Strategy.
- the Annual Treasury Management Investment Strategy.

The purpose of the Treasury Management Policy Statement is to set out the scope of the Treasury Management function, the policy on borrowing, debt restructure, investments, delegation, and management of risk.

The budget includes provision for the financing costs of the Council's Capital Investment Programme, including interest on external borrowings. Offsetting this, the Council will earn interest by temporarily investing its surplus cash, which includes unapplied and set-aside capital receipts. These budgets depend on many factors, not least the Council's level of revenue and capital budgets, use of reserves, methods of funding the budget requirement, interest rates, cash flow and the Council's view of risk.

The purpose of the Treasury Management Strategy is to set out how the budgeted financing costs can be achieved. It covers the prospects for interest rates and the strategy on borrowing and debt restructuring.

The purpose of the Annual Treasury Management Investment Strategy is to set out the investment objectives and the policies on the use of external fund managers, on the investment of in-house managed funds and on the use of approved counterparties.

The Audit & Governance Committee have responsibility for the scrutiny of the Treasury Management Strategy. The policy is approved by Council in advance of the year to which it relates. It is then monitored regularly and updated, as appropriate, to reflect changing circumstances and guidance with updates approved by Council as and when required.

It is projected that surplus cash balances will average £112m (of which £51.5m is the estimated sum of medium term and long-term funds managed by external fund managers) during 2026/27 based on information currently available and historical spending patterns.

3.18 Minimum Revenue Provision Policy

The Minimum Revenue Provision (MRP) is an amount to be set aside for the repayment of debt. Each Local Authority has a general duty to charge an amount of MRP to revenue which it considers to be prudent, with responsibility being placed upon the full Council to approve an annual MRP policy statement.

The MRP Guidance sets out that such policies may be amended at any time, so long as the Council maintains a prudent and transparent approach whilst ensuring any changes are sustainable from a revenue budget perspective. The Guidance and legislation do not define what is prudent. It is for each Authority to determine a prudent repayment based on its own individual circumstances, considering its medium and long-term financial plans, current budgetary pressures, future capital expenditure intentions and funding needs. The Chief Finance Officer is content that the policy to be taken forward for 2026/27 will make an MRP charge that is both prudent and proportionate, given the Council's current financial situation.

3.19 Prudential Indicators

The Prudential Code is the key element in the system of capital finance that was introduced from 1st April 2004 as set out in the Local Government Act 2003. CIPFA published their updated 2021 edition of the Prudential Code on 20th December 2021.

Individual authorities are responsible for deciding the level of their affordable borrowing, having regard to the CIPFA code, (which has legislative backing). Prudential limits apply to all borrowing, qualifying credit arrangements (e.g. some forms of lease) and other long-term liabilities. The system is designed to encourage authorities that need, and can afford to borrow for capital investment, to do so.

Under the Local Government Act 2003 each authority can determine how much it can borrow within prudential limits (unsupported borrowing). The Government does have powers to limit the aggregate for authorities for national economic reasons, or for an individual authority. Most of the capital expenditure will continue to be directly supported by Government through capital grant or by Council unsupported borrowing.

The CIPFA Prudential Code for Capital Finance in Local Authorities has been developed to support Local Authorities in taking capital investment decisions and to ensure that these decisions are supported by a framework which ensures proportionality, prudence, affordability, and sustainability.

Another objective of the Code is that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.

To demonstrate compliance with these objectives each authority is required to produce a set of prudential indicators. These indicators are designed to support and record local decision making and are not for comparison with other authorities. The setting and revising of these indicators must be approved by Cabinet and Council.

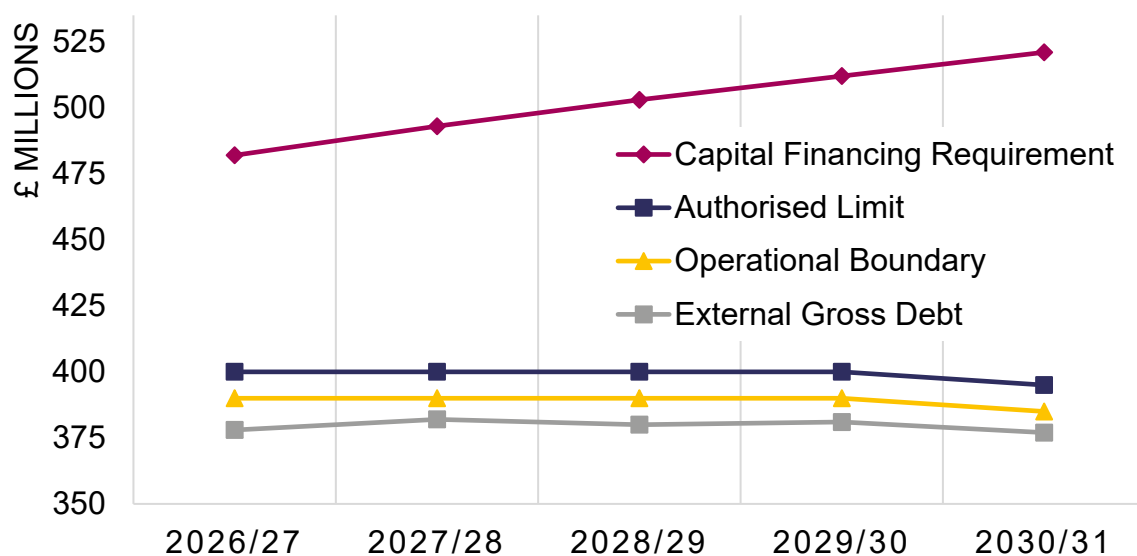
In setting or revising its prudential indicators, the local authority is required to have regard to the following matters:

- service objectives (e.g. strategic planning).
- stewardship of assets (e.g. asset management planning).
- value for money (e.g. options appraisal).

- prudence and sustainability (e.g. risks, whole life costing and implications for external debt).
- affordability (e.g. implications for long-term resources including the council tax).
- practicality (e.g., achievability of the forward plan).

Figure 29 shows the Council’s level of external gross debt compared to its agreed borrowing limits and the estimated Capital Financing Requirement (the Council’s theoretical need to borrow).

Figure 29 Borrowing Levels and Limits



The operational boundary is how much gross external debt the Council plans to take up and reflects the decision on the amount of debt needed for the Capital Investment Programme for the relevant year. The authorised limit is higher than the operational boundary as it allows sufficient headroom to take account of unusual cash movements.

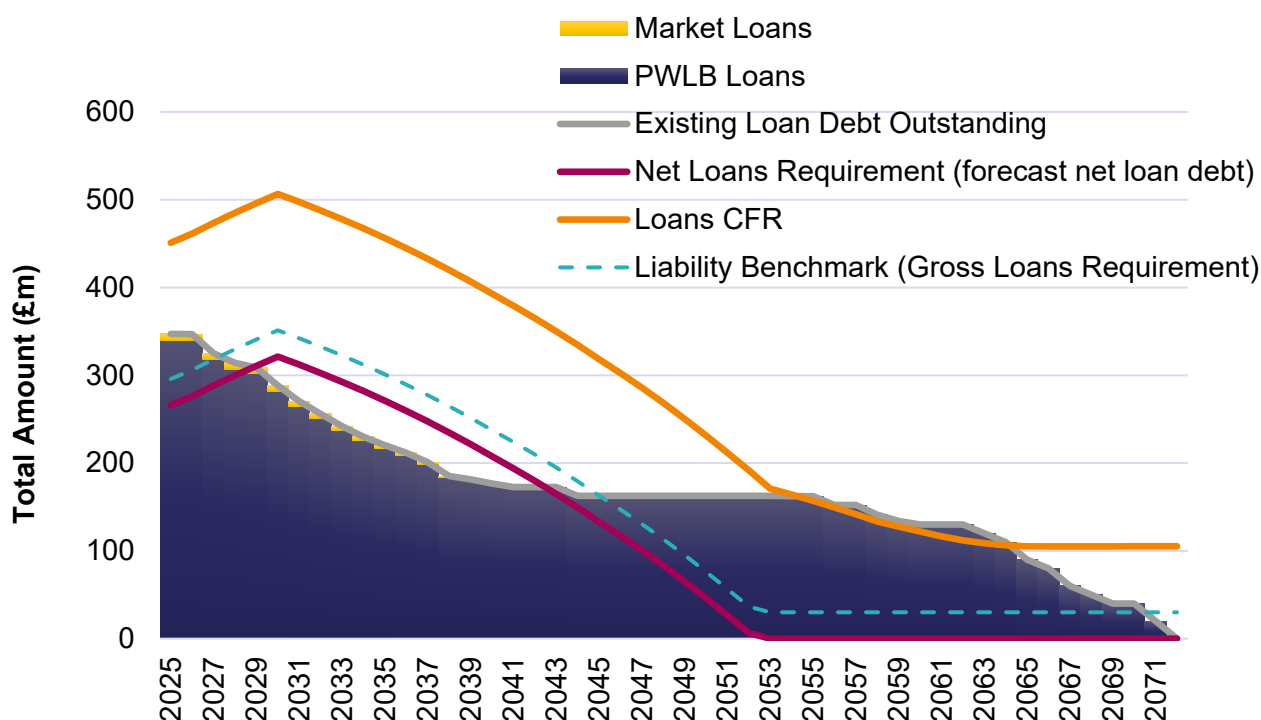
The gap between the Capital Financing Requirement and the Operational Boundary/Authorised Limit highlights the potential scope and flexibility to borrow further if the cash flow and treasury management position allows.

Figure 30 shows the Council’s liability benchmark which is a measure of how well the existing loans portfolio matches the authority’s planned borrowing needs. It is not a single measure but consist of four balances:

- Existing loan debt outstanding: the authority’s existing loans that are still outstanding in future years.
- Loans Capital Financing Requirement: calculated in accordance with the definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP. This excludes any part of the Capital Financing Requirement related to other long-term liabilities rather than borrowing.

- Net loans requirement: the authority’s gross loan debt less treasury management investments at the last financial year-end, projected into the future.
- Liability benchmark (or gross loans requirement) equals net loans requirement plus a short-term liquidity allowance. A short-term liquidity allowance means an adequate (but not excessive) allowance for a level of excess cash to be invested short term to provide access to liquidity if needed.

Figure 30 Liability Benchmark



Where the loan debt outstanding exceeds the gross loans requirement, this indicates there is excess cash available for investment. As such, local authorities should refer to their current liability benchmark as one of the factors to consider when taking new borrowing decisions.

3.20 General Fund Balance

In accordance with best practice guidance issued by CIPFA, the minimum level of General Fund balances is reviewed, and assessed on an annual basis. The Executive Director (Finance & Resources) recommends:

- An absolute minimum level of unallocated General Fund reserves of **£8M** to be maintained throughout the period between 2026/27 to 2030/31.
- An adequate level of unallocated General Fund reserves of between **£10M** and **£11M** over the period 2026/27 to 2030/31 to cover the absolute minimum level of reserves, in-year risks, cash flow needs and unforeseen circumstances.

- A preferred level of unallocated General Fund reserves to **£12M** for the period 2026/27 to 2030/31 to provide additional resilience across the Comprehensive Spending Review period supporting the Council's MTFS.

This assessment has been derived by taking a risk-based approach to the overall General Fund Revenue Account. Clearly given the uncertainty and challenges caused by the prevailing economic and fiscal conditions, Local Government Funding Reform and the forthcoming Local Government Reorganisation, then it is even more important to give some confidence and assurance over the level of the General Fund Balance. This assessment includes as far as possible a review of income volatility and realism of income targets, interest rate exposure, third party provider risks, potential overspends in demand led areas such as social care and safeguarding for both adults and children and any other potential issues which may need to be taken into consideration, such as the transition to the new waste collection contract and rising homelessness concerns. The preferred level of unallocated General Fund reserves to **£12M** will be an ambition for 2026/27 and 2027/28 only, prior to the new South East Essex Authority being established from April 2028.

3.21 Reserves Strategy

As well as maintaining a risk based General Fund Balance the Council also sets aside Earmarked Reserves (for these purposes earmarked reserves excludes school balances) for specific items.

Considering the increasing level of risk and uncertainty identified within the MTFS and the probability of resources being required to support service transformation and delivery, a full review of useable reserves and provisions will be undertaken as part of the year end final position for 2025/26, once the outturn has been determined.

Each year as part of closing the accounts a view is taken on maintaining and strengthening, where necessary, those reserves specifically earmarked to support the highest areas of risk. This results in the rationalisation of reserves and provisions where possible and in some cases additional funding being set aside.

In relation to the adequacy of reserves (excluding the General Fund Balance summarised in Section 3.20), the Council's Section 151 Officer (Executive Director of Finance and Resources) recommends the following Reserves Strategy. The Strategy will be reviewed annually and adjusted in the light of the prevailing circumstances.

Housing Revenue Account Reserves

In relation to the Housing Revenue Account (HRA) in 2026/27 and the medium to long-term:

- Given the current status of housing management provision the recommendation is that general reserves be maintained at **£3.5m**.

This recommendation is based on and conditional upon:

- A 2026/27 budget agreed with South Essex Homes Ltd. to maintain a balanced HRA, together with the HRA's own MTFS for the period 2026/27 to 2030/31.

- Forward projections for the HRA beyond 2026/27 being remodelled upon any significant updates to the planned utilisation of HRA resources.

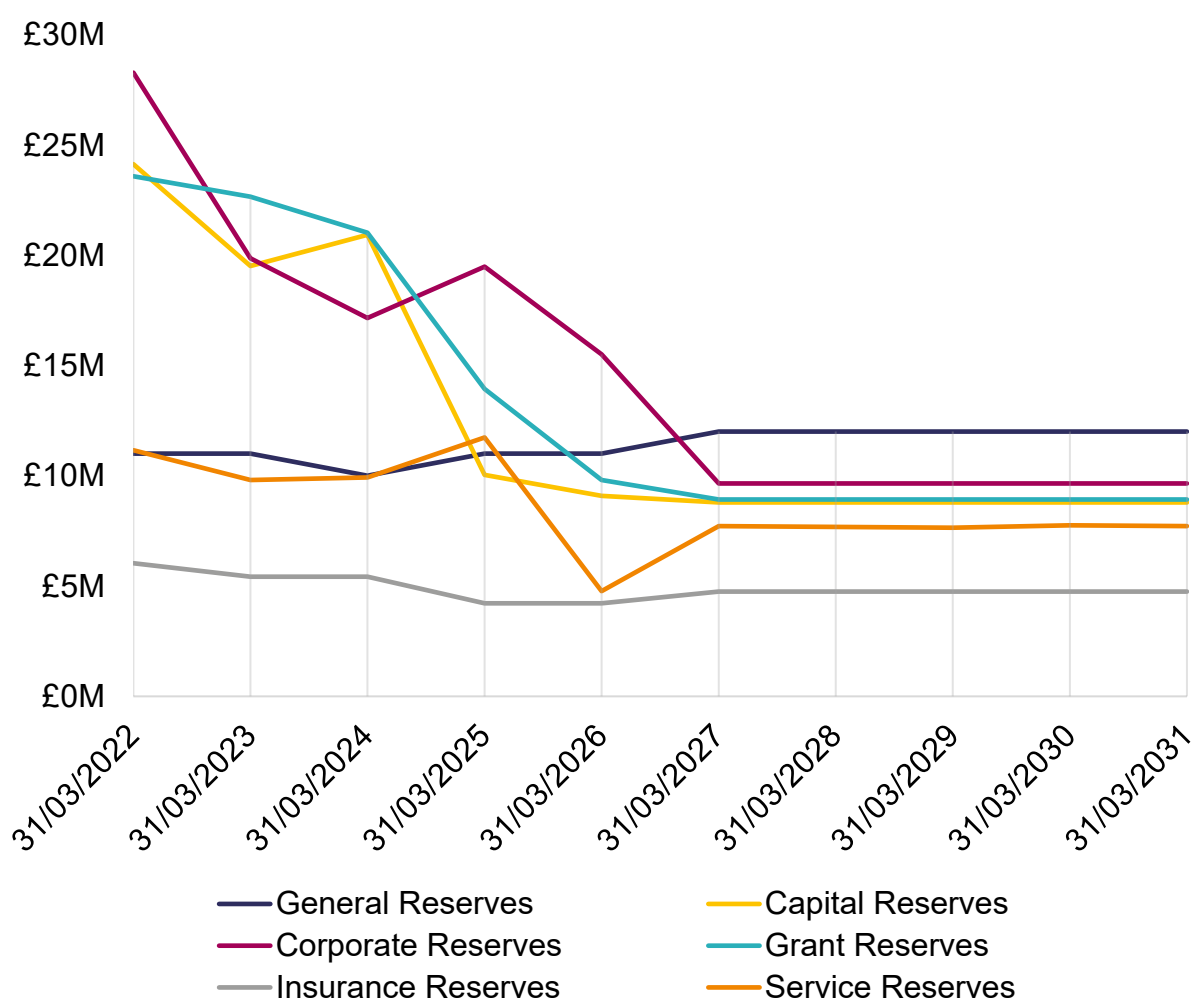
Earmarked Reserves

A table of the earmarked reserves and their balances at 31 March 2026 to 31 March 2031 is shown in Annex 2. The balances at 31 March 2026 to 2031 are indicative, based on the assumptions in this report, and do not represent the probable figures that will be disclosed in future years Statement of Accounts. A summary of the forecast reserve balances to 31 March 2031 is shown in Table 10 and illustrated in Figure 31. We are forecasting that our total reserves will stay within a range of £51M to £55M over this timeframe. An assessment will be finalised in 2027/28 to form the basis of what will be transferred to the new South East Essex Authority that will be created from April 2028.

Table 10 Forecast of General Fund Reserves

Reserves	31/03/2026 £M	31/03/2027 £M	31/03/2028 £M	31/03/2029 £M	31/03/2030 £M	31/03/2031 £M
General	11.000	12.000	12.000	12.000	12.000	12.000
Capital	9.085	8.788	8.788	8.788	8.788	8.788
Corporate	15.497	9.648	9.648	9.648	9.648	9.648
Grant	9.819	8.937	8.937	8.937	8.937	8.937
Insurance	4.217	4.750	4.750	4.750	4.750	4.750
Service	4.769	7.714	7.678	7.642	7.750	7.714
TOTAL	54.440	51.989	51.953	51.917	52.025	51.989

Figure 31 Forecast General Fund Reserves



3.22 Addressing the Budget Gap

The Council is currently predicting a cumulative indicative budget gap of **£28.5M up to the end of 2030/31**. The Council will focus primarily on providing solutions to reduce the budget gap for 2027/28 permanently to provide a solid foundation for the new South East Essex Authority from April 2028. As we work collaboratively with our partners, we may need to increase our focus on the delivery or joint commissioning of services in a targeted way to ensure that those in most need and who will receive the greatest benefit are the recipients of our services.

Our transformation programme underpins the whole approach to organisational design and the culture change needed to deliver the intentions and principles outlined in this strategy. The Council is putting in place the conditions that our staff have identified as being necessary to make us ‘match fit’ for the future. These conditions form an overarching change programme for the organisation:

- Clear vision and delivery strategy
- Digital enablement to support the vision

- Trusted, empowered, and engaged workforce
- Appetite to invest wisely in people, outcomes and to accept evaluated risk
- Closer collaboration with staff, members, citizens, and partners
- Simple and effective governance
- Open mind-set that will drive forward transformation and change

These conditions collectively describe the culture we need to develop and nurture to take our organisation to the next stage in its journey.

This will mean a very different approach to planning and designing our services in the future – one based around outcomes for people, not around the services themselves.

The Transformation Strategy formalises this shift through priority programmes covering Resident Access and Experience, Enabling Services, Strategic Services, Digital and Data, Third Party Spend and Zero-Based Budgeting. These programmes move beyond isolated service improvements towards whole-council redesign, embedding common operating standards, modern commissioning practice, improved contract management and digitally enabled services.

Collectively, they establish the organisational capabilities required to deliver sustained financial resilience rather than delivery of a series of one-off savings initiatives.

Clearly the biggest immediate challenge is the major financial pressure reported within our Children's Services. Specific actions that have been implemented include:

- A series of in-depth Children's Services reviews led by the Leader and Chief Executive to understand the metrics and reasons for the continual overspending position have been undertaken.
- The Chief Executive and Executive Director of Finance & Resources will oversee all proposed new residential placements including their cost and outcomes.
- Within the Council's Transformation programme the overall framework focuses on resetting cost and demand baselines, improving productivity and strengthening financial grip across the organisation and particularly within Children's Social Care.
- Independent external advisors have provided an assessment of our current arrangements within Children's Social Care, including benchmarking and best practice comparators.
- The Leader continues to lead a focus group on Children's residential placements and arrangements. This is also supported by the Chief Executive, the Executive Director of Finance & Resources and senior officers from both the Children's Service and finance team. The purpose of this focus group is to drill down into all our current residential placements and ensure that appropriate challenge is given whilst also recognising our role as a corporate parent to provide the best outcomes for our looked after children and delivering value for money for the local taxpayer.

The approach to addressing the forecast future budget gap is demonstrated by several of the initiatives that have been approved as part of the overall budget package for 2026/27. Most of these intentions will continue to make an important contribution to reducing costs in the future. Annex 3 provides a summary of the individual elements that make up this budget package and appropriate governance arrangements are already in place to oversee and ensure delivery of these intentions. As with most upper tier authorities the biggest major challenges to their future financial resilience and sustainability are directly linked to how successful they will be in proactively managing future growing service demand (particularly in social care) and how they can design and transform new operational delivery mechanisms to drive efficiencies, productivity, VFM and meet local residents' priority needs in the most cost-effective way.

The forecast profiled budget gap in the Medium Term Financial Forecast over the next five years is summarised in Table 11.

Table 11 Forecast Budget Gap

Year	2026/27	2027/28	2028/29	2029/30	2030/31	Total
Budget gap	£0.0M	£9.0M	£8.0M	£5.8M	£5.7M	£28.5M

3.23 Budget Monitoring and Reporting

The corporate budget performance report is a key tool in scrutinising the Council’s overall financial performance. It is designed to provide an overview to all relevant stakeholders. It is essential that the Authority actively monitors its budgets throughout the year to ensure that the overall financial position is robust and sustainable and that strategic objectives are being achieved.

In setting the annual budget and the MTFs the Council will ensure any potential risks are assessed and managed as part of the monitoring arrangements. In year, the Council will review its revenue and capital budgets (including the HRA) monthly and report to Cabinet on a regular basis.

Whilst the Executive Director for Finance & Resources (s151 Officer) has a statutory requirement for reporting to Cabinet the financial position, the responsibility and accountability for the financial position and performance of individual service areas lies with all budget holders.

These reports will be prepared for Cabinet at regular intervals throughout the financial year (usually performance as at the end of July, September and November) which will provide an opportunity to highlight major variations from the approved spending plans enabling corrective action to be taken where necessary.

All budget holders are responsible for ensuring external income is maximised for their service and for seeking out new opportunities to generate income. If the budget holder cannot resolve issues within their own service area budgets these should be dealt with by Service Directors and the Executive Leadership team.

Where any financial pressures are identified appropriate mitigation plans are required to be agreed and implemented in year which would look to address these issues. If pressures are deemed to be unavoidable and ongoing then these will need to be highlighted and considered as part of setting the Council's budgets over the medium term.

The Council has an established and respected finance business partnering service to support and advise Directors and Service Managers with the financial management requirements of their services.

The focus of the Finance Business Partnering function is to:

- Look at a specific business problem and propose solutions based on research and insight.
- Perform and analyse benchmarking against other areas and services to drive business decision making and help to enhance value for money.
- Work with business intelligence to understand activity and cost drivers.
- Support services to look at the totality of investment against objectives.
- Support services to focus on being sustainable.
- Support services in developing business cases.
- Work to better understand, manipulate, and extract better outcomes from contracts – improving deliverables and forward planning procurement exercises.
- Perform sensitivity analysis across whole systems to understand links between variables and support to make optimal interventions.
- Support with project managing change through greater involvement in strategic decision making.

These existing comprehensive arrangements will continue to be supplemented for 2026/27 with oversight of the delivery of all parts of the budget package being reported to the Corporate Leadership Team (CLT) and Transformation Board.

4 Conclusion

This MTFs provides a robust framework for setting the budget for 2026/27 and to help to ensure that the Council remains financially sustainable over the medium term. The future forecast position is based on the best information currently available and is challenging but should be achievable given the political and management desire to implement the necessary service transformation.

Like all local authorities the Council has experienced unprecedented volatility over the last few years including major increases in demand for a range of priority local services that it delivers. This strategy and the range of assumptions included will be updated as soon as new information becomes available and in preparation for the implementation of LGR for Greater Essex.

Positively the Council has a clear Corporate Plan for 2024-2028, has worked with partners to launch a new overarching vision for the city, strong collegiate leadership, residents and communities are engaged, resources are prioritised towards achieving better local outcomes and the organisation in these unprecedented circumstances has set a robust, resilient, and sustainable budget.

Southend-on-Sea City Council is in a strong position to influence, shape and redesign services both locally and regionally to make a real positive difference to the lives of Southenders and the surrounding area. The ambition will be to continue to strive to provide better value for money services for all local people, businesses and visitors and to make a real positive difference to the lives of everyone now and across the new South East Essex Unitary Council area from April 2028.

ⁱ International Monetary Fund (2026) *World Economic Outlook Update: January 2026 – Global Economy: Steady amid Divergent Forces*. Available at: <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026> (Accessed: 20 March 2026).

ⁱⁱ OECD (2025) *United Kingdom economic snapshot*. Available at: <https://www.oecd.org/en/topics/sub-issues/economic-surveys/united-kingdom-economic-snapshot.html> (Accessed: 20 March 2026).

ⁱⁱⁱ Office for Budget Responsibility (2026) *Economic and fiscal outlook: March 2026*. London: HM Stationery Office. ISBN 978-1-5286-6220-8. Available at: <https://assets.publishing.service.gov.uk/media/69a6d7b62e1f4fbda4252208/economic-and-fiscal-outlook-march-2026-web-accessible.pdf> (Accessed: 20 March 2026).

Medium Term Financial Forecast
2026/27 to 2030/31

	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 £000s	2030/31 £000s
Base Budget					
From prior year	165,059	201,570	226,889	242,213	257,050
ADD Service Grants moved to CSP as a result of FFR2.0 ¹	5,085	9,619			
LESS					
Appropriations to / (from) reserves in prior year	(949)	2,550	36	36	(108)
Revenue Contributions to Capital	(629)	0	0	0	0
Less other one-off expenditure / (savings)	(2,041)	(2,841)	0	0	0
Adjusted Base Budget	166,525	210,898	226,925	242,249	256,942
Appropriations to / (from) reserves	(2,550)	(36)	(36)	108	(36)
Revenue Contributions to Capital (Funded from Earmarked Reserves)	0	0	0	0	0
Other one-off / time limited expenditure bids	2,841	0	0	0	0
Investments and Unavoidable Pressures	9,385	8,100	7,700	7,800	7,800
Capital Programme Costs	1,030	980	1,320	470	1,030
Corporate Cost Pressures	343	48	23	13	85
Directorate (Savings) / Pressures					
Ongoing Executive Directorate investment	10,470	5,900	6,000	6,000	6,000
Budget reductions proposed	(6,125)	(935)	(780)	(835)	(795)
Better Care Fund ²					
Funding to Support Social Care and benefit Health	(17,921)	(8,302)	(8,302)	(8,302)	(8,302)
Expenditure relating to the BCF and BCG	17,921	8,302	8,302	8,302	8,302
Public Health					
Projected Grant Income	(12,772)	(12,986)	(13,217)	(13,217)	(13,217)
Projected Expenditure	12,772	12,986	13,217	13,217	13,217
Housing Revenue Account					
Projected Expenditure	33,379	34,052	34,572	35,275	35,938
Projected Income	(39,654)	(40,210)	(41,295)	(42,861)	(44,312)
Contributions to / (from) HRA Earmarked Reserves	6,275	6,158	6,723	7,586	8,374
Dedicated Schools Grant					
Projected Grant Income	(78,288)	(78,288)	(78,288)	(78,288)	(78,288)
Projected Expenditure	78,288	78,288	78,288	78,288	78,288
Pupil Premium received from Government (indicative)	(1,892)	(1,892)	(1,892)	(1,892)	(1,892)
Pupil Premium Expenditure	1,892	1,892	1,892	1,892	1,892
Projected General Fund Net Expenditure	181,919	224,955	241,152	255,805	271,026
Changes in General Grants ³	19,651	1,934	1,061	1,245	1,192
Budget Requirement	201,570	226,889	242,213	257,050	272,218
Funded By					
Council tax increase (2.99% each year) (taxbase +0.65% 26/27 and +0.5% p.a future years)	(96,184)	(100,142)	(104,311)	(108,702)	(113,330)
Social Care Precept (2.0% each year)	(19,501)	(21,923)	(24,485)	(27,195)	(30,059)
Business Rates	(42,503)	(44,325)	(45,219)	(46,131)	(47,062)
Revenue Support Grant ⁴	(42,382)	(51,499)	(51,198)	(52,222)	(53,267)
Collection Fund Surplus	(1,000)	0	0	0	0
Total Funding	(201,570)	(217,889)	(225,213)	(234,250)	(243,718)
Funding Gap	0	9,000	17,000	22,800	28,500
Funding Gap (In-year)	0	9,000	8,000	5,800	5,700
Funding Gap (Cumulative)	0	9,000	26,000	48,800	77,300
Core Precept	96,184	100,142	104,311	108,702	113,330
Social Care Precept	19,501	21,923	24,485	27,195	30,059
Band D Council Tax					
Council Tax for a Band D Property	1,888.47	1,982.70	2,081.61	2,185.47	2,294.46
% Increase in Council Tax	4.99%	4.99%	4.99%	4.99%	4.99%
Council Tax Base					
Council Tax Base	61,259	61,565	61,873	62,182	62,493
Increase in Tax Base on prior year	0.65%	0.50%	0.50%	0.50%	0.50%

¹ This line represents the value of grants which were previously credited to services but have been rolled into the Fair Funding Assessment (FFA) and redistributed through the Fair Funding Review (FFR). The 2027/28 figure is the planned roll in of the Local Authority Better Care Grant into Revenue Support Grant (RSG).

² The reduction from 2026/27 to 2027/28 represents the planned roll in of the Local Authority Better Care Grant (LABCG) into RSG. The associated expenditure will become part of the 'base budget', see note 1.

³ The significant reduction in grant in 2026/27 is representative of the Social Care Grant being rolled into the FFA and redistributed through the FFR, via RSG, see note 4.

⁴ The RSG in 2026/27 is significantly higher than 2025/26 (£7.8M) due to the impact of FFR. The increase from 2026/27 to 2027/28 represents the planned roll in of the LABCG into RSG, see note 2.

Earmarked Reserves	Balance	To	From	Transfers	Balance	To	From	Transfers	Balance	To	From	Transfers	Balance	To	From	Transfers	Balance	To	From	Transfers	Balance	To	From	Transfers	Balance
	1/4/25 £000s	£000s	£000s	£000s	1/4/26 £000s	£000s	£000s	£000s	1/4/27 £000s	£000s	£000s	£000s	1/4/28 £000s	£000s	£000s	£000s	1/4/29 £000s	£000s	£000s	£000s	1/4/30 £000s	£000s	£000s	£000s	1/4/31 £000s
Capital Reserves																									
Capital Reserve	4,685		(629)		4,056			(118)	3,938				3,938				3,938				3,938				3,938
Interest Equalisation Reserve	2,522		(325)		2,197			(97)	2,100				2,100				2,100				2,100				2,100
MRP Equalisation Reserve	2,832				2,832			(82)	2,750				2,750				2,750				2,750				2,750
Capital Reserves	10,039	-	(954)	-	9,085	-	-	(297)	8,788	-	-	-	8,788	-	-	-	8,788	-	-	-	8,788	-	-	-	8,788
Corporate Reserves																									
Business Initiatives Reserve	3,000	3,535	(4,220)		2,315		(1,198)	(65)	1,052				1,052				1,052				1,052				1,052
Business Rates Retention Reserve	1,089				1,089		(89)		1,000				1,000				1,000				1,000				1,000
Business World ERP Reserve	900		(441)		459		(79)	475	855				855				855				855				855
Climate Change & Green Initiatives	380				380			(130)	250				250				250				250				250
Cost of Living	1,000				1,000			(500)	500				500				500				500				500
Local Government Reorganisation / Devolution	1,000		(500)		500	416	(137)	(79)	700				700				700				700				700
New Homes Bonus	-	4			4			(4)	-				-				-				-				-
Pension Reserve	4,204		(1,842)		2,362			(2,362)	-				-				-				-				-
Rental Equalisation	850				850			(350)	500				500				500				500				500
Service Redesign Reserve	3,682		(240)		3,442			(1,599)	1,843				1,843				1,843				1,843				1,843
Technology Transition & Systems Modernisation	1,866	216	(270)		1,812		(39)	188	1,961				1,961				1,961				1,961				1,961
Transformation Implementation Reserve	1,500		(216)		1,284			(487)	987				987				987				987				987
Corporate Reserves	19,471	3,755	(7,729)	-	15,497	416	(2,029)	(4,236)	9,648	-	-	-	9,648	-	-	-	9,648	-	-	-	9,648	-	-	-	9,648
Grant Reserves																									
Air Quality Reserve	101		(36)		65				65				65				65				65				65
Area Child Protection	32				32				32				32				32				32				32
Dedicated Schools Grant	7,099	65	(3,426)		3,738		(799)		2,939				2,939				2,939				2,939				2,939
Enhanced Bus Partnership Capacity Grant 22/23-24/25	18		(14)		4				4				4				4				4				4
General Grants Carried Forward	4,994		(572)		4,422				4,422				4,422				4,422				4,422				4,422
Holiday Activity and Healthy Food Grant Reserve	5				5				5				5				5				5				5
Levelling Up Fund	168				168				168				168				168				168				168
Public Health Grant - Public Health	1,517	10	(142)		1,385		(83)		1,302				1,302				1,302				1,302				1,302
Grant Reserves	13,934	75	(4,190)	-	9,819	-	(882)	-	8,937	-	-	-	8,937	-	-	-	8,937	-	-	-	8,937	-	-	-	8,937

Earmarked Reserves	Balance	To	From	Transfers	Balance	To	From	Transfers	Balance	To	From	Transfers	Balance	To	From	Transfers	Balance	To	From	Transfers	Balance	To	From	Transfers	Balance
	1/4/25 £000s	£000s	£000s	£000s	1/4/26 £000s	£000s	£000s	£000s	1/4/27 £000s	£000s	£000s	£000s	1/4/28 £000s	£000s	£000s	£000s	1/4/29 £000s	£000s	£000s	£000s	1/4/30 £000s	£000s	£000s	£000s	1/4/31 £000s
Insurance Reserves																									
Insurance Reserve	4,217				4,217			533	4,750				4,750				4,750				4,750				4,750
Insurance Reserves	4,217	-	-	-	4,217	-	-	533	4,750	-	-	-	4,750	-	-	-	4,750	-	-	-	4,750	-	-	-	4,750
Service Reserves																									
Adult Social Care Reserve	1,500		(1,500)		-			1,000	1,000				1,000				1,000				1,000				1,000
Children's Social Care Reserve	3,000		(3,000)		-			2,000	2,000				2,000				2,000				2,000				2,000
Development Control Reserve	64				64				64				64				64				64				64
Domestic Abuse Reserve	295				295				295				295				295				295				295
Economic Inclusion	35				35		(19)		16				16				16				16				16
Elections Reserve	192	108			300		(36)		264		(36)		228		(36)		192	108			300		(36)		264
Income Reserve: Housing Licensing	239				239				239				239				239				239				239
Income Reserve: Housing Act Penalties	50				50				50				50				50				50				50
Internal Audit Reserve	166				166				166				166				166				166				166
Local Land Charges Reserve	100				100				100				100				100				100				100
Local Plan Reserve	860				860				860				860				860				860				860
Pooled Budget: Adult	169				169				169				169				169				169				169
Pooled Budget: Children	89				89				89				89				89				89				89
Practice Learning	19				19				19				19				19				19				19
Regulatory Licensing Reserve	443		(186)		257				257				257				257				257				257
Social Fund	57				57				57				57				57				57				57
Selective Licensing Reserve	1,530		(940)		590				590				590				590				590				590
Southend Adult & Community College	400		(346)		54				54				54				54				54				54
Supporting People Reserve	493				493				493				493				493				493				493
Tennis Court Sinking Fund	65				65				65				65				65				65				65
Waste Management Reserve	1,967		(1,100)		867				867				867				867				867				867
Service Reserves	11,733	108	(7,072)	-	4,769	-	(55)	3,000	7,714	-	(36)	-	7,678	-	(36)	-	7,642	108	-	-	7,750	-	(36)	-	7,714
Monies Held In Trust																									
Comp-3 When Children Reach 18	3				3				3				3				3				3				3
Emily Brigs Trust	17				17				17				17				17				17				17
Thorpe Smith Bequest	33				33				33				33				33				33				33
Monies Held In Trust	53	-	-	-	53	-	-	-	53	-	-	-	53	-	-	-	53	-	-	-	53	-	-	-	53
Total General Fund Earmarked Reserves	59,447	3,938	(19,945)	-	43,440	416	(2,966)	(1,000)	39,890	-	(36)	-	39,854	-	(36)	-	39,818	108	-	-	39,926	-	(36)	-	39,890

Reference	Detail of Proposal	FTE Staffing Implications	Financial Impact		
			2026/27 £000	2027/28 £000	2028/29 £000
Corporate Initiatives					
COI-01	<p>Triennial Pension Valuation</p> <p>Every three years there is a review of the Council's requirement for employer superannuation contributions to the Essex Pension Fund for employees of Southend on Sea City Council. Negotiations have now concluded with a significantly better position for the Council than was originally offered by the Pension Fund actuaries, which has resulted in an annual reduction in our employer superannuation contributions from 2026/27 and up to and including 2028/29.</p> <p>[X-Council: EDFR]</p>	-	(1,500)	(1,500)	(1,500)
COI-02	<p>Transformation Programme</p> <p>Delivery of efficiencies through the Transformation Strategy. The 2026/27 programme includes projects on Third Party spend, Zero Based Budgeting and Activity Analysis as well as the continuation of the One Council (service redesign), Data Transformation, Estates, Children's Services Commissioning, My Southend (resident access) and Business World (internal corporate systems) projects.</p> <p>[X-Council: EDSC]</p>	TBD	(750)	(750)	(750)
Corporate Initiatives Total		-	(2,250)	(2,250)	(2,250)

Reference	Detail of Proposal	FTE Staffing Implications	Financial Impact		
			2026/27 £000	2027/28 £000	2028/29 £000
Efficiency and Productivity					
EAP-01	<p>Civic Centre Building Security</p> <p>The proposal is to cease the manual security contract overnight from 10pm each evening until 6am the following day, seven days a week. Staff and Councillor access will be from 7am to 9pm to allow time for opening and closing. Arrangements will be in place for later closing for Council meetings (including scrutiny and cabinets that are expected to run later) and for certain events such as the concert series. Out of hours cover is in place via South Essex Property Services, Facilities Management and Emergency resilience teams along with oversight by the CCTV control room. There has been the need for one-off investment in security equipment, which is already funded and is currently in place. [EDFR]</p>	-	(50)	(50)	(50)
EAP-02	<p>Public Toilets Efficiencies</p> <p>A review of public toilets has commenced and the expectation is that efficiency savings of circa £60,000 a year can be delivered through the review of the maintenance of these toilets. This saving will not lead to any change in service or closure of toilets. For 2026/27 it will be part year only saving of £30,000. [EDFR]</p>	-	(30)	(60)	(60)
Efficiency and Productivity Total		-	(80)	(110)	(110)

Reference	Detail of Proposal	FTE Staffing Implications	Financial Impact		
			2026/27 £000	2027/28 £000	2028/29 £000
Organisational Redesign					
ORE-01	Restructure of some functions within Financial Services Proposal to delete 6 posts across Benefits, Insurance and Accountancy Services. 5 of these posts are vacant. [EDFR]	-5.29	(250)	(250)	(250)
ORE-02	Human Resources Restructure Staffing posts reduction through restructure (redesign completed in December 2025 so saving is full year effect). [EDSC]	-5.48	(200)	(200)	(200)
ORE-03	Review of staffing arrangements - Regulatory Services, Traffic & Parking Delete 2.68 FTE vacant posts across these service areas. Fund another eligible FTE post from Selective Licensing income which will deliver an additional £66,000 benefit to the General Fund. [EDEP]	-2.99	(160)	(160)	(160)
ORE-04	Review of Children Social Care and Public Health Staffing Remove 2.2 FTE posts (1.2FTE vacant) and meet the statutory duties delivered by one of these roles by absorbing the functions into an existing team. Full year estimated saving £140,000. Estimated saving for 2026/27 is circa £120,000 due to time required to implement. [EDCPH]	-2.20	(120)	(140)	(140)
ORE-05	Culture/Adult Social Care Staffing Review Delete 1.07 FTE vacant posts within Adult Social Care prevention and recovery services aligned to improved initial contact prevention, information and advice performance. Delete a 0.5 FTE vacant post aligned to a restructure of management of the Culture service. [EDAC]	-1.67	(95)	(95)	(95)

Reference	Detail of Proposal	FTE Staffing Implications	Financial Impact		
			2026/27 £000	2027/28 £000	2028/29 £000
ORE-06	Policy and Customer Experience Staffing Removal of 3.0 FTE posts in Customer Experience (2.0 FTE vacant). Estimated £115,000 full year saving, adjusted to £80,000 for part year in 2026/27. [EDSC]	-3.00	(80)	(115)	(115)
ORE-07	Customer Channel Shift To redirect customers to the use of online direct forms to improve customer responsiveness and record keeping. This will be enabled by the removal of @Southend and other generic Council email inboxes - £150,000 full year saving adjusted to 50% for year 1 (2026/27). [EDSC]	-4.00	(75)	(150)	(150)
Organisational Redesign Total		-24.63	(980)	(1,110)	(1,110)
Service Offer Funding Changes					
SOF-01	Children and Public Health Staffing Utilise eligible grant to fund 1.8 FTE posts in Supporting Families. [EDCPH]	-	(90)	(90)	(90)
SOF-02	Carers Service The current Carer's services will continue, this saving represents the identification of new grant funding which can be utilised, reducing the revenue base budget requirement by the same value. [EDAC]	-	(50)	(50)	(50)

Reference	Detail of Proposal	FTE Staffing Implications	Financial Impact		
			2026/27 £000	2027/28 £000	2028/29 £000
SOF-03	<p>Family Matters</p> <p>The total contract is £87,000 pa currently funded by £57,000 Dedicated Schools Grant (DSG) historic commitment contribution and £30,000 from the Council's general fund budget. The DSG historic commitment contribution will no longer exist in 2026/27 as the Department of Education have been unwinding this funding nationally, as part of changes under the National Funding Formula for Schools. To enable this service to continue, alternative full grant funding has been identified to support the work from 1 April 2026. This new arrangement will deliver a £30,000 general fund budget saving. [EDCPH]</p>	-	(30)	(30)	(30)
Service Offer Funding Changes Total		-	(170)	(170)	(170)
Third Party Payments / Contractual Arrangements					
TPP-01	<p>Adult Social Care - Contract Negotiation</p> <p>Re-negotiation of contracts for Adult Social Care placements (annual total contracts value around £73M). [EDAC]</p>	-	(100)	(100)	(100)
TPP-02	<p>Essex County Council (ECC) Transferred Debt</p> <p>Reduction in the amount we are required to reimburse ECC for the debt costs (interest and provision for repayment) on the remaining balance of the transferred debt. [EDFR]</p>	-	(50)	(50)	(50)

Reference	Detail of Proposal	FTE Staffing Implications	Financial Impact		
			2026/27 £000	2027/28 £000	2028/29 £000
TPP-03	Adult Social Care - Third-Party Top-Ups Review and rewrite the third-party top-up policy to ensure value for money. [EDAC]	-	(50)	(50)	(50)
TPP-04	Direct Payments Service Insourcing Direct Payments service (SCC or SCL) at end of current contract. [EDAC]	-	(50)	(50)	(50)
TPP-05	Corporate Subscriptions Reduction in the value of corporate subscriptions. [EDFR]	-	(10)	(10)	(10)
Third Party Payments / Contractual Arrangements Total		-	(260)	(260)	(260)
Income Generation Capability					
IGC-01	Grant Funding Utilise funding of £1.6M Disabled Facilities Grant (DFG) on cost of equipment store and eligible equipment costs, releasing £0.8M general fund revenue budget and £0.8M Better Care Fund (BCF) funding. [EDAC]	-	(1,600)	(1,600)	(1,600)
IGC-02	Adult Social Care Client Contributions Expected increase in client contributions which is directly related to the rise in cost of delivery. [EDAC]	-	(260)	(535)	(815)
IGC-03	Increased Fees and Charges Yield Medium Term Financial Plan (MTFP) assumed increase in yield from fees and charges. [X-Council]	-	(250)	(750)	(1,250)

Reference	Detail of Proposal	FTE Staffing Implications	Financial Impact		
			2026/27 £000	2027/28 £000	2028/29 £000
IGC-04	Commercial Property Income Additional income from corporate property lettings and renewal of leases. [EDFR]	-	(125)	(125)	(125)
IGC-05	Airport Business Park Launchpad Repayments related to invest to save support provided in 2022/23 and 2023/24. [EDEP]	-	(50)	(60)	(60)
IGC-06	Electric Vehicle (EV) Income New additional EV income. [EDEP]	-	(15)	(15)	(15)
IGC-07	Planning Income Commit to an extra £10,000 of Planning Performance Agreement (PPA) income for 2026/27 (one-year only). [EDEP]	-	(10)	-	-
Income Generation Capability Total		-	(2,310)	(3,085)	(3,865)
Total 2026/27 Budget Saving / Income Generation Proposals		-24.63	(6,050)	(6,985)	(7,765)

Reference	Detail of Proposal	FTE Staffing Implications	Financial Impact		
			2026/27 £000	2027/28 £000	2028/29 £000
Agreed Savings from Prior Years					
IGC-07 (2526)	Passenger Transport Office and Fleet (Adjusted) Relocate from third party contract into Tickfield from January 2026 with a part year effect of £20,000 in 2025/26. An updated assessment has reduced the full year effect to £45,000 (down from £90,000). [EDFR]	-	(25)	(25)	(25)
IGC-10 (2425)	Electric Vehicle (EV) Charging Opportunities (Adjusted) Install EV charging points and receive commission on charging. [EDEP]	-	(50)	(50)	(50)
	Agreed Savings from Prior Years Total	-	(75)	(75)	(75)
	Grand Total 2026/27 Budget Savings / Income Generation plus Agreed Savings from Prior Years	-24.63	(6,125)	(7,060)	(7,840)

Reference	Justification	FTE Impact	2026/27 Total £000
Non-Portfolio and Cross-Organisational Pressures			
01-COP	<p>Staffing Establishment Costs 2026/27 £3.3 million has been provided for a pay award of up to 3.2% based on the award for 2025/26 and the impact of officers moving through their contractual scale point increments. The actual pay award is not yet known and could result in either a budget surplus or pressure, this estimate is based on the best information currently available. [X-Council: EDFR]</p>	-	3,300
02-COP	<p>Investment, income and financing alignment This reflects all the planned changes to the Capital Programme and accounting requirements in accordance with the range of accountancy codes. The base budget will be set at the estimated right level as part of the medium-term financial planning view. <i>This sum includes the capital financing costs of the Tree Planting Programme as set out in paragraphs 4.12 and 4.13 of the Additional Budget Considerations – 2025/26 report to Cabinet on 10 April 2025.</i> [X-Council: EDFR]</p>	-	1,030
03-COP	<p>Contractual Inflation (Not Energy Related) This amount will be allocated to our Corporate Contingency budget initially and drawn upon by services throughout 2026/27 to fund increases in contractual costs as a result of inflation clauses within the relevant contracts. Services will be expected to try to manage their 3rd Party contracts as cash limited budgets at 2025/26 levels wherever possible. [X-Council: EDFR]</p>	-	600

Reference	Justification	FTE Impact	2026/27 Total £000
04-COP	<p>Energy Inflation Costs 2026/27</p> <p>This amount will be allocated to our Corporate Contingency budget initially and drawn upon by services throughout 2026/27 to fund inflationary increases in estate energy costs. Services will be expected to try to manage their energy consumption as cash limited budgets at 2025/26 levels wherever possible. [X-Council: EDFR]</p>	-	600
05-COP	<p>Contingency Replenishment</p> <p>Given the commitment to permanently resolve historical base revenue budget deficits across key statutory services – it is essential that the Council retains some flexibility to support new unforeseen pressures in 2026/27. This is the minimum replenishment value that the s151 Officer has determined to be financially affordable within the overall balancing of the Council's Revenue Budget for 2026/27. [X-Council: EDFR]</p>	-	250
06-COP	<p>Levies</p> <p>Essex County Council have provided the Council with an estimate of the increases in the Coroners Court Levy in 2026/27. Notification of Environment Agency and Kent & Essex Fisheries levies has not been received at this time, but it is estimated that those levies will increase by 2% and 3% respectively. An estimate of £0.075M has been provided to cover all the expected inflationary increases in these levies. [EDFR]</p>	-	75
	Cross-Organisational Pressures Total	-	5,855

Reference	Justification	FTE Impact	2026/27 Total £000
Pressures Specific to Portfolio Services			
Leader: Infrastructure and Corporate Strategy			
01-L	<p>Civil Enforcement Officers (CEOs) <i>This is one of nine permanent increases in the revenue base budget as per recommendation 2.2 of the Additional Budget Considerations – 2025/26 report to Cabinet on 10 April 2025. The investment proposal as at paragraph 4.6 of that report was "To enhance CEO recruitment to improve road safety through improved parking compliance, especially around our schools"</i> [EDEP]</p>	-	105
02-L	<p>Civic Pride: Cleansing Street Signs and Furniture <i>This is one of nine permanent increases in the revenue base budget as per recommendation 2.2 of the Additional Budget Considerations – 2025/26 report to Cabinet on 10 April 2025. The investment proposal as at paragraph 4.2 of that report was "To provide an annual revenue budget for the cleansing of street furniture and signs to enhance the Civic Pride of our City"</i> [EDEP]</p>	-	50
03-L	<p>Digital Systems There has been historic pressure on the budget which funds Granicus - 'your say Southend' and the digital e-newsletter. Additional budget is required to continue these services that support resident engagement. [EDSC]</p>	-	30
	Leader: Corporate Matters and Performance Delivery Total	-	185

Reference	Justification	FTE Impact	2026/27 Total £000
Deputy Leader: Housing and Planning			
01-DL	<p>Empty Homes</p> <p><i>This is one of nine permanent increases in the revenue base budget as per recommendation 2.2 of the Additional Budget Considerations – 2025/26 report to Cabinet on 10 April 2025. The investment proposal as at paragraph 4.10 of that report was “To recruit an additional empty homes officer (apprentice/care leaver) to assist with the current issues we are facing in this area.” [EDEP]</i></p>	0.72	25
	Deputy Leader: Housing and Planning Total	0.72	25
Business, Culture, Music and Tourism			
01-BCMT	<p>Additional Location Based Staff</p> <p>Additional funding across library and cultural services to enable a peripatetic approach across library and cultural services. This will add capacity to staff numbers and ensure services maintain public opening hours. This additional funding will be targeted at new apprentices and care leavers. [EDAC]</p>	2.58	125

Reference	Justification	FTE Impact	2026/27 Total £000
02-BCMT	<p>Outdoor Sports Coordinators</p> <p><i>This is one of nine permanent increases in the revenue base budget as per recommendation 2.2 of the Additional Budget Considerations – 2025/26 report to Cabinet on 10 April 2025. The investment proposal as at paragraph 4.7 of that report was "To recruit to three outdoor sports co-ordinators (apprentices and care leavers) to work across our parks and leisure services. Enhancing, developing and increasing access to outdoor leisure activities as well as the management of playing surfaces, bookings and relationships with local clubs and groups."</i></p> <p>[EDAC]</p>	2.17	75
	Business, Culture, Music and Tourism Total	4.75	200

Reference	Justification	FTE Impact	2026/27 Total £000
Children, Learning and SEND			
01-CLSEND	<p>Children's Structural Deficit Considerations</p> <p>Alignment of the 2026/27 budget with pressures that have been recognised and reported during 2025/26. The continued aim is to increase our inhouse foster care capacity and safely reduce the numbers of children in care, as reported throughout 2025/26. The main contributing factor to the Children Services forecast overspend is the cost of residential placements, providing homes for our children in care with the most complex needs, including several high cost supported accommodation placements and a current sustained reliance on external foster care placements. This investment alongside achieving the remaining full year effect placement savings, including a reduced reliance on residential care placements going forward will assist in mitigating Children Social Care external care placements opening financial pressures into 2026/27. Smaller allocations from this investment will also be used to right size other 2025/26 funding pressures in relation to providing essential support costs for safeguarding the welfare of Children in Need (under Section 17) at £0.3M and means tested allowance to support Special Guardianship orders under the assessment of Children Services at £0.2M. The latter is crucial for enabling a child to live with a designated special guardian until they reach the age of 18. [EDCPH]</p>	-	5,650
02-CLSEND	<p>SEND Home to School Transport</p> <p>The increase in demand for travel assistance is driven by a notable rise in children identified with Special Educational Needs and Disabilities (SEND). In the last year alone up to the end of December 2025 there has been a further significant growth of 24% in Educational Health and Care Plans, which has contributed to an increase in eligible applications for transport. [EDCPH]</p>	-	500

Reference	Justification	FTE Impact	2026/27 Total £000
03-CLSEND	<p>Personal Assistant Posts</p> <p>Personal Assistants (PAs) have a crucial role to ensure each Child in Care is well supported as they transition into adulthood. Caseloads per worker have dramatically increased following a change in statutory regulations which now require every Child in Care from the age of 16 up to 25 to have a dedicated PA. Previously PAs focussed their support on young people aged 18 to 21. This means more PAs are required to support children leaving our care and to keep individual PA caseloads manageable. Short term funding has been used in 2025/26 to add PA capacity (7 FTE) but based on forecast Child in Care numbers permanent investment for 3 PAs is required. Without this additional budget allocation, caseloads per worker will be above good practice and acceptable Office for Standards in Education (OFSTED) case levels and the retention of staff within the team would likely suffer.</p> <p>One-off funding from reserves will continue in 2026/27 to support 4 additional PAs dependent on caseloads. [EDCPH]</p>	2.89	140
04-CLSEND	<p>Care Leavers</p> <p>Funding to support the implementation of the widened Council Tax exemption policy effective from the 1 April 2026 for Southend Care Leavers aged 18-21. This proposal expands the Council tax exemption to include any Southend Care Leaver aged 18-21 who resides outside of Southend. [EDCPH]</p>	-	40

Reference	Justification	FTE Impact	2026/27 Total £000
05-CLSEND	<p>Community Access Grant for Children with Disabilities</p> <p><i>This is one of nine permanent increases in the revenue base budget as per recommendation 2.2 of the Additional Budget Considerations – 2025/26 report to Cabinet on 10 April 2025. A successful pilot project in 2025/26 established clear eligibility criteria and enhanced this element of offer by £25k. This proposal seeks a permanent additional investment of £25k to enable the offer to be rolled beyond the pilot year. A panel established as part of the pilot project will allocate the funding based on the eligibility criteria and need. [EDCPH]</i></p>	-	25
06-CLSEND	<p>Inhouse Foster Care</p> <p>Subject to case-by-case agreement of the Fostering service this funding will support inhouse foster carers with 1 months' rent, deposit and moving costs where a rental move will enable the foster carer to have an additional bedroom space to foster an additional child. This policy will also apply to a foster carer's own older child (young adult) if they need assistance to move out to a rental property which in turn creates an additional bedroom space for fostering a child in the foster carers existing rental property. [EDCPH]</p>	-	10
	Children, Learning and SEND Total	2.89	6,365

Reference	Justification	FTE Impact	2026/27 Total £000
Climate, Environment and Waste			
01-CEW	<p>Environment Structural Deficit Considerations</p> <p>Alignment of the 2026/27 budget with pressures that have been recognised and reported during 2025/26. This net extra permanent investment into the revenue base will right size the income targets for the Cemeteries and Cremation Service as part of a major review of the service offer and pricing strategy. Investment is also being made to provide infrastructure to make our roads safer by preventing and deterring dangerous/illegal driving practices and ensure appropriate Traffic Offences Enforcement is undertaken. [EDEP]</p>	-	400
02-CEW	<p>Tree Planting Programme – Running Costs</p> <p><i>This is one of nine permanent increases in the revenue base budget as per recommendation 2.2 of the Additional Budget Considerations – 2025/26 report to Cabinet on 10 April 2025. The investment proposal is for the annual maintenance costs associated with the planting of the new trees. [EDEP]</i></p>	-	25
	Climate, Environment and Waste Total	-	425
Community Safety and Regulatory Services			
01-CSRS	<p>Community Safety</p> <p><i>This is one of nine permanent increases in the revenue base budget as per recommendation 2.2 of the Additional Budget Considerations – 2025/26 report to Cabinet on 10 April 2025. The investment proposal as at paragraph 4.1 of that report was “To employ five new permanent Community Safety Officers within the Community Safety Team to tackle antisocial behaviour throughout the city and improve enforcement of our five Public Space Protection Orders” [EDEP]</i></p>	3.94	200

Reference	Justification	FTE Impact	2026/27 Total £000
02-CSRS	<p>Grant to Organisations for Anti-Social Behaviour Prevention</p> <p><i>This is one of nine permanent increases in the revenue base budget as per recommendation 2.2 of the Additional Budget Considerations – 2025/26 report to Cabinet on 10 April 2025. The investment proposal as at paragraph 4.4 of that report was “An annual budget to provide community groups access to small grants where an event or initiative can demonstrate it will lead to reduced anti-social behaviour. Grants to be allocated via the Community Safety Partnership.” [EDEP]</i></p>	-	10
	Community Safety and Regulatory Services Total	3.94	210
Social Care and Healthier Communities			
01-SCHC	<p>ASC Provider Inflationary Uplift: National Living Wage</p> <p>Annual uplift negotiations linked to living wage and inflation for the adult social care market. [EDAC]</p>	-	3,300
02-SCHC	<p>ASC Demographic Demand: Transitions, Older People and Working Age Adults</p> <p>Every year the number of people eligible for adult social care increases. This increase is made up of people receiving services as children who turn 18 and are eligible for adult social care (transitions), adults of working age and older people who become newly eligible for support through a change in personal circumstances, and people whose needs increase as a result of increased frailty or complexity. This amount is calculated from known costs for children turning 18, and a set of assumptions about population change for older people and adults of working age. [EDAC]</p>	-	1,850

Reference	Justification	FTE Impact	2026/27 Total £000
03-SCHC	Adults Structural Deficit Considerations Alignment of the 2026/27 budget with pressures that have been recognised and reported during 2025/26. Areas addressed are new demand for key service areas such as older people services and mental health support in numbers and specialist support services. It also addresses the increased demand for care and support for people with depleted assets previously self-funding their own care. [EDAC]	-	1,500
04-SCHC	Commissioning Team Commissioning team to be funded by the general fund releasing Local Authority Better Care Grant to deliver adult social care efficiencies. [EDAC]	-	900
05-SCHC	Severe & Multiple Disadvantage Service (SMDS) Permanent investment to compensate for the discontinuation of grant. [EDAC]	-	50
06-SCHC	Pensioner Support Grants <i>This is one of nine permanent increases in the revenue base budget as per recommendation 2.2 of the Additional Budget Considerations – 2025/26 report to Cabinet on 10 April 2025. The investment proposal as at paragraph 4.3 of that report was “To provide an annual sum that will provide additional grant funding for local pensioner support groups across the city.”</i> [EDAC]	-	20
	Social Care and Healthier Communities Total	-	7,620
	Total Pressures Specific to Portfolio Services		15,030

2026/27 Unavoidable Cost Pressures

Annex 3

Summary by Portfolio Service	FTE Impact	2026/27 Total £000
Cross-Organisational Pressures	-	5,855
Leader: Infrastructure and Corporate Strategy	-	185
Deputy Leader: Housing and Planning	0.72	25
Business, Culture, Music and Tourism	4.75	200
Children, Learning and SEND	2.89	6,365
Climate, Environment and Waste	-	425
Community Safety and Regulatory Services	3.94	210
Finance, Assets and Public Transport	-	-
Regeneration and Law and Governance	-	-
Social Care and Healthier Communities	-	7,620
Unavoidable Cost Pressures Total	12.30	20,885