

04 March 2026



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Essex CM9 5DL

www.maldon.gov.uk



APOLOGIES: Committee Services
Email: Committee.clerk@maldon.gov.uk

CHIEF EXECUTIVE
Doug Wilkinson

Dear Councillor

You are summoned to attend the meeting of the;

PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE

on **THURSDAY 12 MARCH 2026** at **7.30 pm**

in the **Council Chamber, Maldon District Council Offices, Princes Road, Maldon.**

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A copy of the agenda is attached.

Yours faithfully

Chief Executive

COMMITTEE MEMBERSHIP:

| | |
|------------------------------------|--|
| CHAIRPERSON | Councillor W Stamp, CC |
| VICE-CHAIRPERSON | Councillor N D Spenceley |
| COUNCILLORS | M G Bassenger D O Bown S J Burwood J C Hughes M G Neall R G Pratt U G C Siddall-Norman M E Thompson |
| INDEPENDENT PERSON (non-voting) | Mr Derek Smith |

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**AGENDA
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE**

THURSDAY 12 MARCH 2026

1. **Chairperson's Notices**

2. **Apologies for Absence**

3. **Minutes of the last meeting** (Pages 5 - 14)

To confirm the Minutes of the Performance, Governance and Audit Committee held on 22 January 2026 (copy enclosed).

4. **Matters Arising** (Pages 15 - 16)

To note the matters arising from the last meeting of the Committee (copy enclosed).

5. **Disclosure of Interest**

To disclose the existence and nature of any Disclosable Pecuniary Interests, Other Registrable interests and Non-Registrable Interests relating to items of business on the agenda having regard to paragraph 9 and Appendix B of the Code of Conduct for Members.

(Members are reminded that they are also required to disclose any such interests as soon as they become aware should the need arise throughout the meeting).

6. **Public Participation**

To receive the views of members of the public, of which prior notification in writing has been received (no later than noon on the Tuesday prior to the day of the meeting).

Should you wish to submit a question please complete the online form at:
www.maldon.gov.uk/publicparticipation.

7. **Report of the External Auditor on the Audit of Financial Year 2024 / 25** (Pages 17 - 88)

To consider the report of the Director of Finance (copy enclosed).

8. **Statement of Accounts 2024/25** (Pages 89 - 208)

To consider the report of the Director of Finance (copy enclosed).

9. **Internal Audit Report** (Pages 209 - 210)

To consider the report of the Director of Finance (copy enclosed).

a) **Progress Report (March 2026)** (Pages 211 - 218)

b) **Follow-Up of Recommendations Report (March 2026)** (Pages 219 - 230)

- c) Management of Property Final Report (February 2026) (Pages 231 - 264)
 - d) HR System Review Final Report (October 2025) (Pages 265 - 284)
 - e) Food Safety Final Report (February 2026) (Pages 285 - 298)
 - f) Safeguarding Final Report (January 2026) (Pages 299 - 318)
10. **Corporate Performance - Quarter 3** (Pages 319 - 354)
To consider the report of the Chief Executive, (copy enclosed).
11. **Review of Corporate Risk - Quarter 3** (Pages 355 - 364)
To consider the report of the Chief Executive, (copy enclosed).
12. **Annual Governance Statement Actions Update** (Pages 365 - 368)
To consider the report of the Chief Executive, (copy enclosed).
13. **Health and Safety Update - Quarter Three 2025 / 26** (Pages 369 - 378)
To consider the report of the Director of Neighbourhood Services and Communities (copy enclosed).
14. **2025/26 Annual Governance Statement** (Pages 379 - 388)
To consider the report of the Chief Executive, (copy enclosed).
15. **Community Governance Reviews** (Pages 389 - 420)
To consider the report of the Director of Legal and Governance, (copy enclosed).
16. **UK Shared and Rural England Prosperity Funds** (Pages 421 - 428)
To consider the report of the Chief Executive, (copy enclosed).
17. **Leisure Contract Update** (Pages 429 - 434)
To consider the report of the Director of Neighbourhood Services and Communities (copy enclosed).
18. **Annual Review of Financial Regulations** (Pages 435 - 442)
To consider the report of the Director of Finance (Appendix attached, report to follow).
19. **Any other items of business that the Chairperson of the Committee decides are urgent**
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NOTICES

Recording of Meeting

Please note that the Council will be recording and publishing on the Council's website any part of this meeting held in open session.

Fire

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Health and Safety

Please be advised of the different levels of flooring within the Council Chamber.

Closed-Circuit Televisions (CCTV)

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Lift

Please be aware, there is not currently lift access to the Council Chamber.



**MINUTES of
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
22 JANUARY 2026**

PRESENT

| | |
|------------------|---|
| Chairperson | Councillor W Stamp, CC |
| Vice-Chairperson | Councillor N D Spenceley |
| Councillors | M G Bassenger, S J Burwood, J C Hughes, M G Neall, R G Pratt, U G C Siddall-Norman, M E Thompson and S J N Morgan (Substitute for D O Bown) |

446. CHAIRPERSON'S NOTICES

The Chairperson welcomed everyone to the meeting, including Officers attending both in person and remotely. She also welcomed Emma Larcombe from KPMG (External Auditors) and went through some general housekeeping arrangements for the meeting.

447. APOLOGIES FOR ABSENCE AND SUBSTITUTION NOTICE

Apologies for absence were received from Councillors D O Bown and Mr Smith (Independent Person). In accordance with notice duly given it was noted that Councillor S J N Morgan was attending as a substitute for Councillor Bown.

448. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 13 November 2025 be approved and confirmed.

449. MATTERS ARISING

The Committee noted the matters arising from the last meeting.

450. DISCLOSURE OF INTEREST

There were none.

451. PUBLIC PARTICIPATION

No requests had been received.

452. CHANGE TO THE ORDER OF BUSINESS

At this point the Chairperson advised that she would be altering the order of business and Agenda Item 14 – Any other items of business that the Chairperson of the Committee decides are urgent, would be considered following Item 7 – Community Safety Partnership Engagement and Activities.

453. COMMUNITY SAFETY PARTNERSHIP ENGAGEMENT AND ACTIVITIES

The Committee received a presentation from the Community Safety Partnership Manager which highlighted the role of the Community Safety Partnership (CSP) and detailed the Community Safety priorities for 2025 / 26 noting that the priorities for 2026 / 27 were due to be agreed in March 2026.

The presentation provided details of specific projects that the CSP had been involved with, noting that they had been fully funded externally from various bodies. These projects included:

- The Promenade Park, Maldon: Make Space for Girls and Improving Public Safety - funded by the Essex Police Fire and Crime Commissioner (PFCC) Safer Streets Programme. This project was part of the work being done to make green spaces safer and more inclusive for girls and gender diverse young people. It was noted that the monies had also been used for stake park procurement in the West Maldon Community Centre, Riverside Park and Promenade Park and the Secret Garden. The CSP Manager explained the key project benefits for each of the projects and how young people had been involved in the design.
- Her Place, Burnham-on-Crouch – funded by the Rural England Prosperity Fund, Essex PFCC Safer Streets Programme and Maldon CSP reserves. Consultation with year 9 students from Ormiston Rivers Academy had taken place and following production of a report, Burnham-on-Crouch Town Council and youth commissioners had been consulted. The funding would provide new assets for young people and ensure that any provision was more gender inclusive.
- Maldon Women's Safety Charter – funded by the Essex PFCC Safer Streets Programme and Maldon CSP reserves. Businesses were encouraged to sign up to the charter and make pledges to improve women's safety and encourage active bystandership. The CSP Manager outlined the key areas of the Charter and how this would build a safer and stronger community in the Maldon District. A launch event along with bespoke training and support for businesses was planned. Members were advised that a media campaign using a video filmed on location in the Maldon District to nudge behaviour and encourage active bystandership had been produced. The Officer agreed to provide Members with a copy of this.

The CSP Manager outlined a number of next steps that the CSP was striving to achieve for the future, including seeking opportunities to influence planning design, reviewing current play and sport to ensure gender inclusivity and embracing working with local schools and encouraging the use of green spaces.

In response to questions raised the CSP Manager advised that:

- forms of lighting within shelters where they were located away from residential premises would be looked into;

- during consultations with young people, phone charging facilities, roller staking and 'funky' chairs by the river (in Burnham-on-Crouch) had also been raised and would be investigated;
- Chelmsford Central Park had recently installed some bright coloured sun loungers with tables beside them which had proven very popular with young people, the Officer agreed to circulate details of these to Members.
- wi-fi and phone charging were important to young people and the Officer confirmed that they would try to accommodate these where possible. In response to a question regarding wi-fi being standard at all such areas, the Officer advised he would make enquiries in respect of this.

The Chairperson thanked the CSP Manager for his presentation.

454. ANY OTHER ITEMS OF BUSINESS THAT THE CHAIRPERSON OF THE COMMITTEE DECIDES ARE URGENT

The Chairperson announced that in accordance with Section 100B(4) of the Local Government Act 1972 she had agreed to allow the Director of Finance to raise an urgent item of business which required consideration prior to the next meeting of the Committee in March 2026.

455. DRAFT AUDIT FINDINGS (ISA 260) 2024 / 25

The Committee considered the urgent report of the Director of Finance presenting the detailed outcomes of the audit of the 2024 / 25 accounts ahead of the backstop date of 27 February 2026.

The Director of Finance introduced the report, referring to the requested delegated powers, which he advised was not expected and assured Members that should anything significant be identified this would be referred back to the Committee, as appropriate. He advised that Maldon District Council was ahead of other Councils in Essex in terms of the progress made on the 2024 / 25 accounts and hoped over the next 12 months that the Council would reach the best possible outcome for the audit of 2025 / 26.

Ms Larcombe, from KPMG (External Audit) presented the draft Audit Findings Report (AFR) attached at Appendix 1 to the report, detailing the auditors' conclusions regarding the Council's accounts and the arrangements in place to secure Value for Money. She advised Members that in respect of the Audit fee there were some additional fees which they were in the progress of agreeing with the Director of Finance. Ms Larcombe commended the Council's finance team on its work to get to current position.

A table within the report summarised the two areas of review and highlighted any issues raised. It was noted that clear progress was shown and evidenced the high standard to which the accounts had been prepared to.

It was noted that reference within Appendix 1 to Burnham Gold Club should be Burnham *Golf* Club.

Ms Larcombe advised that she was expecting all build back assurance work to be concluded next year and that the Council's management team was looking into valuation of the Council's property portfolio as this was a key aspect. The Director of

Finance confirmed that the Council was working with the Valuation Office in respect of this and carrying out a valuation on all Council assets for 2025 / 26.

In response to a comment regarding retention of knowledge, the Director highlighted changes to the finance team and the work being undertaken to ensure that knowledge was retained.

During the debate and in response to a query regarding the short-term investment mentioned in Appendix 2 it was explained that this related to a misclassification that had been picked up and corrected, there were no changes in terms of the accounts. Members were reminded that the Council agreed its Treasury Management Practices each year and advice in respect of them was taken from Link (external advisors).

Ms Larcombe explained that the letter attached as Appendix 2 to the report was a requirement on every single audit to confirm that management had provided the auditor with all information requested. It was brought to this Committee as it approved the annual Statement of Accounts.

The Committee offered their congratulations to the Director of Finance and his team for their work on the accounts.

The Chairperson moved the recommendations detailed in the report. This was duly seconded and agreed by assent.

RESOLVED

- (i) That the Committee reviewed the draft Audit Findings Report (AFR) from (i)KPMG (Appendix 1 to the report) and the details of their audit findings for the financial statements of accounts for 2024/25;
- (ii) that the Committee considered the draft letter of representation (Appendix 2 to the report);
- (iii) That the Director of Finance (S151 Officer) is granted delegated powers to approve any remaining changes to the 2024/25 accounts recommended by the auditor in consultation with the Chairperson of this Committee, in order for the accounts to be signed off by the backstop date of 27 February 2026;
- (iv) That the Committee receives the final signed version of the accounts for 2024/25 at its meeting on 12 March 2026.

456. CORPORATE PERFORMANCE - QUARTER 2

The Committee considered the report of the Chief Executive that required the Committee to undertake a quarterly review of the Corporate Performance as assurance that delivery was being managed effectively.

The Chairperson introduced the report and deferred to the Head of Performance, Improvement and LGR to present the detail. The Head of Performance advised that the report covered Corporate Performance from July to the end of September 2025 and highlighted that overall, all five priorities were on track for delivery at the end of September 2025. Members' attention was drawn to the graph shown at Appendix 1 - page 18, which detailed that one of the 57 indicators was marked as 'at risk' with a further three 'closer monitoring'. The detail behind this and a full breakdown was provided in Appendix 1 along with the data that sat behind the ratings.

The Chairperson moved the recommendations as set out in the report. These were duly seconded and agreed by assent.

RESOLVED

- (i) That Members reviewed the information as set out in this report and Appendix 1 to the report with priority focus given to the Strategic Priority level performance;
- (ii) That Members were assured through this review that corporate performance was being managed effectively.

457. REVIEW OF CORPORATE RISK - QUARTER 2

The Committee considered the report of the Chief Executive that required the Committee to undertake a quarterly review of the Corporate Risk Register as assurance that corporate risks were being managed effectively.

The Chairperson introduced the report and deferred to the Head of Performance, Improvement and LGR to present the details. The Head of Performance, Improvement and LGR advised that the report covered the Corporate Risk Register from July to the end of September 2025 and how the Register was regularly reviewed by the Senior Leadership Team. The report highlighted where there had been changes to Risks during this period with further details of each risk and the full Risk Register set out in Appendix 1 to the report. The Corporate Risk Mitigating Actions were set out in Appendix 2 to the report.

During the debate that ensued, the following information was provided by Officers in response to queries raised:

- It was confirmed that the Council kept a record if anyone was suing it for damages as this affected disclosure in the accounts around contingent liabilities.
- The Head of Service advised that the recent changes to the Council's Senior Leadership Team (SLT) had led to a refocus and review of the risk register which had resulted in changes to risk classifications and therefore some risks scores had been reduced. The Chief Executive explained that having considered the definitions for risk scoring and not wanting to overscore risks, SLT had reviewed all risks and agreed on the outcomes reported. The Chief Executive confirmed that Directors had agreed all changes and would be taking responsibility for the revisions made.
- **Risk 4: Damage caused to the Council's reputation associated with delays to planned infrastructure delivery in the District by third parties which was due to mitigate approved development** – In response to concerns raised regarding the new scoring for this risk the Director of Place, Planning and Growth explained that the planning system could only deal with mitigating the additional pressure not an existing backlog. He referred to debate at recent planning Committee meetings regarding the impact on new and piecemeal development not delivering infrastructure in a timely way. The Director explained that this risk was in relation to whether the Council was sitting on funds and not able to spend them, opposed to the reputation of the Council when funds were not being spent due to other organisations such as highways / education, for example.
- **Risk 8: Unable to recruit and retain staff with specific skills sets in specialist areas to meet the demands of the service** – In response to a

specific question regarding Planning Officers, the Director of Place, Planning and Growth provided Members with an update on current staffing within the team, noting that there had recently been some internal promotions. He explained that he was currently discussing a recruitment campaign with the Human Resources team which would specifically highlight the benefits of working for Maldon District Council.

- **Risk 5: Failure to maintain a Five-Year Housing Land Supply (5YHLS)** – The Director of Place, Planning and Growth drew Members' attention to the footnote within the update to this risk reporting on the updated 5YHLS calculation reported to the Planning Policy Working Group in December 2025 showing a supply of 4.14 years. This would be coming forward to a future meeting of the Council for endorsement.

The Chairperson moved the recommendations set out in the report and these were duly agreed.

RESOLVED

- (i) That Members reviewed the Corporate Risk Register in Appendix 1 to the report and provided comment and feedback for consideration;
- (ii) That Members reviewed progress of the Corporate Risk Mitigating actions in Appendix 2 and provided comment and feedback for consideration;
- (iii) that Members were assured through this review that corporate risk was being managed effectively;
- (iv) that Members challenged risk where the Committee felt that the Council's corporate goals may not be achieved;
- (v) That the wording of Risk 6 to changed from, Failure to meet the affordable housing need, to and more accurately represent the corporate risk to the Council: 'Unable to secure sufficient and appropriately sized affordable housing to meet local need due to market conditions, development viability, and reliance on external delivery partners from Quarter Three 2025/26'.

458. ANNUAL GOVERNANCE STATEMENT ACTIONS UPDATE

The Committee considered the report of the Chief Executive updating Members on the actions identified in the Annual Governance Statement (AGS).

The Chairperson introduced the report and deferred to the Head of Performance, Improvement and LGR to present the details. It was noted that each year the AGS reflected on the Council's governance arrangements and identified further best practice improvements that could be introduced for the following year. The Head of Performance highlighted the actions in relation to governance best practice identified by the Council in the 2024 / 25 AGS. The report provided detail for each of the actions, and it was noted that of the six actions two had previously been reported as completed and were highlighted in grey. A further action 'Transforming Together Programme...' was now complete and commentary updates provided for the open actions.

The Chairperson moved the recommendation in the report. This was duly seconded and agreed by assent.

RESOLVED that the Committee reviewed the Annual Governance Statements table detailed in the report, together with updates and challenged where necessary.

459. HEALTH AND SAFETY UPDATE - QUARTER TWO 2025 / 26

The Committee considered the report of the Director of Neighbourhood Services and Communities providing an update on Health and Safety statistics and activity during Quarter Two (Q2) 1 July to 31 September 2025.

The report provided details of accident, near miss, hazard and unacceptable behaviour reporting and actions as a result of these. Additional health and safety improvements were continuing, and the improvements made within Q2 were detailed. Updates in respect of system resources, training, fire risk assessment, policies and procedures and health and safety inspections were set out in the report. The priorities for the next quarter were set out in the report and noted by Members.

The Chairperson moved the recommendations set out in the report. This was duly seconded.

The Director of Neighbourhood Services and Communities introduced the report and drew Members' attention to the unacceptable behaviour noted in paragraph 3.1.2 of the report, with further detail set out in Appendix 1. She gave reassurance that the Council continued to follow its Unacceptable Behaviour Policy, supporting staff, mitigating staff safety and reporting to / involving the Police where necessary. It was noted that changes to internal systems had resulted in improved staff reporting. The Chairperson commented that it was not acceptable to abuse staff and she was pleased to see this had been raised and the steps being taken to protect staff and ensure their safety.

The Corporate Health and Safety Manager then took the Committee through the report advising on the numbers of accidents / incidents and near misses and incidents of unacceptable behaviour during this quarter.

In response to a number of questions raised during the debate, the following information was provided by Officers:

- A comment was made in respect of the hazard reported regarding a blind spot at a pedestrian crossing point in Promenade Park and in response the Director of Neighbourhood Services and Communities advised that she would provide Members with detail of the location and mitigations made.
- Members were reminded that the Council had recently approved a programme of repairs to windows at the Council offices.
- For 2026 the Council had mobilised an event manager, deputy and events management team to lead on UFest and health and safety was incorporated into the event plan.

The Chairperson put the recommendations to the Committee. These were duly seconded and agreed by assent.

RESOLVED

- (i) That Members considered the accident and incident statistics and incidences of unacceptable behaviour reported;
- (ii) That Members considered progress of key health and safety themes (as per section 3.2 of the report).

460. UK SHARED AND RURAL ENGLAND PROSPERITY FUNDS

The Committee considered the report of the Chief Executive updating Members on the progress of the UK Shared and Rural England Prosperity Funds (UKSPF) for the allocation period 2025 / 26.

Members were reminded that the Chancellor had confirmed the continuation of UKSPF for a further year, allowing local authorities to invest in local growth, in advance of wider funding reforms. The Council on 3 April 2025 had approved the proposed projects to be delivered and granted delegated authority to the Chief Executive, in consultation with the Leader of the Council, Chairperson of the Strategy and Resources Committee and Ward Members to identify projects for delivery.

The Council had submitted its forecast spend, outputs and outcomes for 2025 / 26 to the Ministry of Housing, Communities and Local Government (MHCLG) who had confirmed acceptance of the submission. It was noted that of the £738,369 funding £349,300.97 actual spend had been incurred and Appendix 1 to the report provided a progress update on the individual projects.

Members were advised that Officers would continue to deliver the projects over the funding period, submitting the required MHCLG returns, as required. Further progress updates would be reported to the Performance, Governance and Audit Committee throughout the municipal year.

The Chairperson put the recommendation set out in the report. This was duly seconded and agreed.

RESOLVED that the Committee acknowledged the update provided on Maldon District's UK Shared and Rural England Prosperity fund allocations for 25 / 26 and continues to monitor the delivery.

461. MEMBER TRAINING STATISTICS

The Committee considered the report of the Chief Executive providing details on member training that had been completed.

The Head of Performance, Improvement and LGR introduced the report and reminded the Committee of its decision made on 13 November 2025 to receive an update at each meeting regarding Members who had completed training and where training was outstanding. The report highlighted the two main training platforms; Boxphish and e-learning; and the course completion statistics for both. The Head of Service advised that Members now had direct access to an interactive report which gave a monthly update and could be found on the Member reports app. The report suggested that the analysis be repeated in six months and included within the balanced scorecard reporting.

In response to comments raised, the Director of Strategy and Improvement highlighted how some detailed courses were required to ensure the Council was compliant and reduced its risk on matters such as General Data Protection Regulations (GDPR). Members were informed that Officers were going to highlight one key area of Member training, with reminders being sent to Members and once 100% completion achieved the next subject would be identified. The Chief Executive advised that Officers would also review the number and types of courses to highlight those which were compulsory for all Members.

The Chairperson moved the recommendations set out in the report and advised that along with the Chief Executive she would get a reminder regarding training courses sent out to Members. It was requested that Members were also reminded of the locations of the two training platforms along with a list of those that were compulsory.

The Chairperson put the recommendations. These were duly seconded and agreed by assent.

RESOLVED

- (i) That the Committee noted the Member Training statistics and the required list of training courses that all Members should have completed;
- (ii) That the Committee will continue to receive six-monthly updates to this report, appended to the Balance Scorecard exceptions.

There being no other items of business the Chairperson closed the meeting at 9.10 pm.

W STAMP, CC
CHAIRPERSON

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Matters Arising from previous meetings of the Performance, Governance and Audit Committee

| Meeting Date | Minute No. | Item (Title of Report) | Action | Lead Officer | Response / Update | Action response date |
|---------------------|-------------------|--|--|--|--------------------------|-----------------------------|
| 22-Jan-26 | | Community Safety Partnership Engagement and Activities | Members would be provided with a copy of the media campaign filmed on location in the Maldon District in relation to the Maldon Women's Safety Charter | Community Safety Partnership Manager | | |
| 22-Jan-26 | | Community Safety Partnership Engagement and Activities | Details of the sun loungers put into Central Park in Chelmsford would be provided to Members. | Community Safety Partnership Manager | | |
| 22-Jan-26 | | Draft Audit Findings (ISA 260) 2024 / 25 | That the Committee's thanks be given to the Director of Finance and his team for their work on the accounts | Director of Finance | Noted | - |
| 22-Jan-26 | | Health and Safety Update - Quarter Two 2025 / 26 | Director of Neighbourhood Services and Communities to provide detail of the location and mitigations made in respect of the hazard reported regarding a blind spot at a pedestrian crossing point in Promenade Park. | Director of Neighbourhood Services and Communities | | |
| 22-Jan-26 | | Member Training Statistics | Officers to review Member training courses to highlight which were compulsory for all Members | Chief Executive | | |
| 22-Jan-26 | | Member Training Statistics | The Chief Executive and Chairperson of the Committee to send a reminder to all Members regarding the completion of training courses, along with links to the training platforms and a list of those which were compulsory. | Chief Executive / Head of Performance, Improvement and LGR | | |

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REPORT of DIRECTOR OF FINANCE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 MARCH 2026

REPORT OF THE EXTERNAL AUDITOR ON THE AUDIT OF FINANCIAL YEAR 2024 / 25

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to present Committee Members with the International Standards on Auditing (ISA) 260 Audit Report (**APPENDIX 1**) and the Annual Audit Report (**APPENDIX 2**) for the financial year 2024 / 25.
- 1.2 The key findings and recommendations from the reports will be presented by the External Auditor (KPMG), before issuing their opinion on the Statement of Accounts.

2. RECOMMENDATIONS

- (i) That Members consider the ISA 260 Audit Report for 2024 / 25 at **APPENDIX 1**. The ISA 260 report aims to ensure that auditors communicate significant findings from the audit to those responsible for governance, such as the board of directors or Audit Committee;
- (ii) That Members consider the Annual Audit Report for 2024 / 25 at **APPENDIX 2**. This report evaluates how effectively an organisation uses its resources to achieve its objectives;

3. SUMMARY OF KEY ISSUES

- 3.1 Local authorities are required by the Accounts and Audit (Amendment) Regulations 2024 to publish their financial statements and audit reports by a legislative 'backstop' date. This is 27 February 2026 for the financial year 2024 / 25.
- 3.2 The introduction of the backstop has limited the Auditor's ability to complete its financial statement audit work, as detailed in the Auditor's Planning Report to the Committee in November 2025.
- 3.3 Due to the limited testing performed, the possible effect on the financial statements of undetected misstatements, if any, could be both material and pervasive.
- 3.4 Auditing standards require auditors to issue a 'disclaimer of opinion' in this situation. The disclaimer applies to the whole of the financial statements. It means that readers should not rely on the audit work when using the financial statements.
- 3.5 Even with a disclaimer of opinion, auditors are still required to report any known, material issues in the financial statements. The auditors have not identified any such matters to report.

- 3.6 ISA 260 requires auditors to communicate with those charged with governance:
- Significant difficulties, if any, encountered during the audit; and
 - Any other significant matters arising during the audit that, in their professional judgement, are relevant to Member's oversight of the financial reporting process.
- 3.7 The auditor's reporting in respect of the backstop fulfils this in respect of this significant matter.
- 3.8 The auditors do not have any matters to report that represent significant difficulties (given the legislative nature of the backstop).
- 3.9 The Terms of Reference of the Performance, Governance and Audit Committee include a requirement to review the external auditor's opinion on the Statement of Accounts of the Council.

4. CONCLUSION

- 4.1 Detailed conclusions drawn from the audit work can be found in the report at **APPENDIX 1**.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Delivering Good Quality Services

- 5.1.1 A key objective of the Council's Corporate Plan is to continue to have good governance arrangements in place. The external audit opinion is one of the main sources of assurance of the achievement of this objective for the Performance, Governance and Audit Committee.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk (including Fraud implications)** – None directly.
- (iv) **Impact on Resources (financial)** – The final external audit fees for the 2024/25 audit are subject to final agreement with KPMG and review by Public Sector Audit Appointments and will be reported back to a future committee once finalised.
- (v) **Impact on Resources (human)** – None directly.

Background Papers: None.

Enquiries to: Ben Jay, Director of Finance.

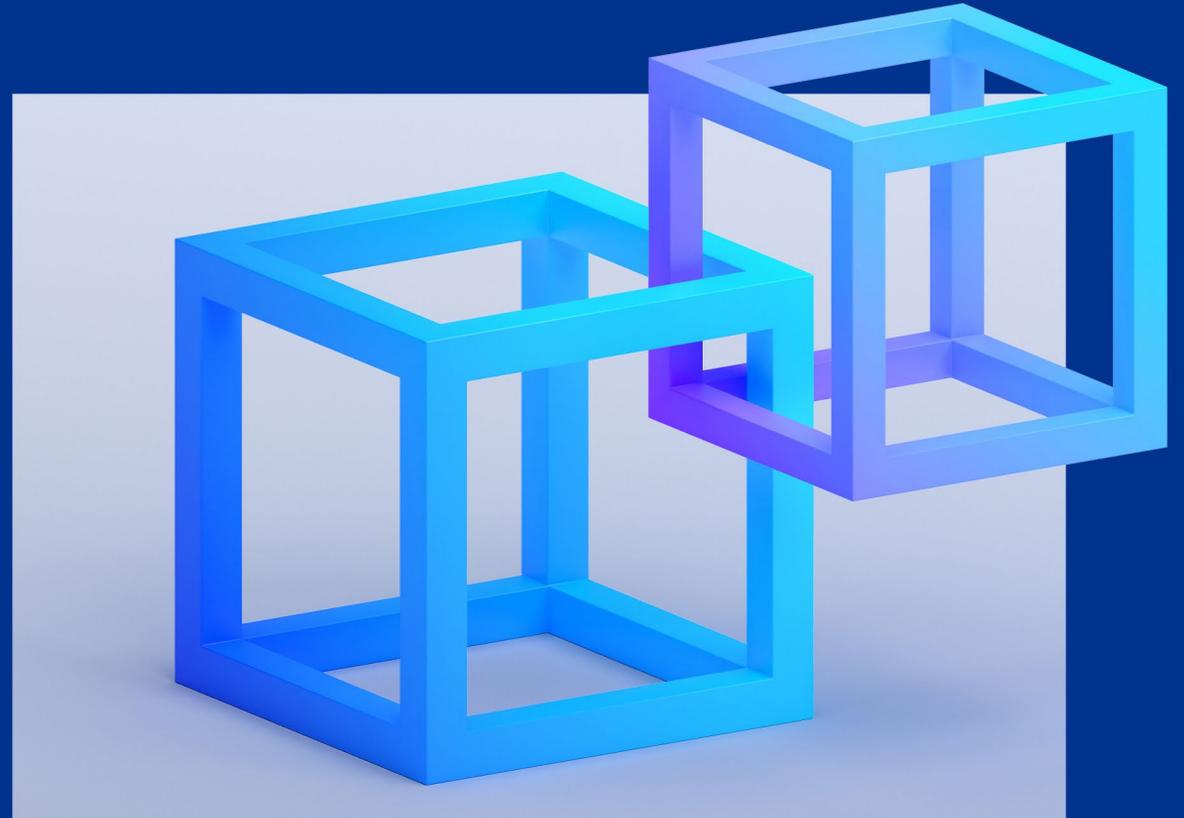
Maldon District Council

Year End Report to the Performance,
Governance and Audit Committee

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Year end report for the year ended 31 March 2025

26 February 2026





Introduction

To the Performance, Governance and Audit Committee of Maldon District Council

We are pleased to have the opportunity to meet with you on 22 January 2026 to discuss the findings and key issues arising from our audit of the financial statements of Maldon District Council as at and for the year ended 31 March 2025.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented on 17 July 2025. We will be pleased to elaborate on the matters covered in this report when we meet.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when:

- Audits are executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality management; and,
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We are committed to providing you with a high-quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Emma Larcombe (Emma.Larcombe@KPMG.co.uk) the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler. (tim.culter@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access KPMG's complaints process here: [Complaints](#).

The engagement team

Subject to the approval of the statement of accounts, we expect to be in a position to sign our audit report on the approval of those statement of accounts and auditor's representation letter on 26 February 2026.

There have been no significant changes to our audit plan and strategy. We draw your attention to the important notice on page 3 of this report, which explains:

- The purpose of this report
- Limitations on work performed
- Status of our audit and the implications of the statutory backstop.

Yours sincerely,

Emma Larcombe

Partner

26 February 2026

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Important notice



This report is presented under the terms of our audit under Public Sector Audit Appointments (PSAA) contract.

The content of this report is based solely on the procedures necessary for our audit.

This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you by written communication in November 2025.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Council's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors.

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit (to the extent it has been possible in the context of our expected disclaimer of opinion - see page 4).

Status of our audit and the implications of the statutory backstop

Page 4 'The statutory backstop and rebuilding assurance' explains the impact of the statutory backstop and our current expectation is that we will issue a disclaimer opinion on the financial statements

While we are expecting to disclaim our audit opinion on the financial statements, we are still required to identify our audit findings based on the work performed. We have identified findings as reported in our report.

Purpose of this report

This Report has been prepared in connection with our audit of the financial statements of Maldon District Council for the year ended 31 March 2025.

This Report has been prepared for the Council's Performance, Governance and Audit Committee, a sub-group of those charged with governance, in order to communicate matters that are significant to the responsibility of those charged with oversight of the financial reporting process as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

The statutory backstop and rebuilding assurance

Background

The Government has introduced measures to resolve the legacy local government financial reporting and audit backlog.

Last year, amendments were made to the Accounts and Audit Regulations and NAO's Code of Audit Practice which introduced the requirement for audit reports in respect of any open, incomplete audits up to the period ending 31 March 2023 to be published by 13 December 2024. It also introduced a statutory back stop date of 28 February 2025 for the 2023/24 audit. For the Authority this had the impact of disclaimer of opinion issued by your predecessor auditor for two financial years up to and including 2022/23. We then issued a disclaimer of opinion for 2023/24 on 27 February 2025 to comply with the statutory backstop date for the reasons set out in our Basis of Disclaimer Opinion below.

Work has been ongoing in the sector to develop guidance to help support appropriate audit procedures for audits where further work is required to build back assurance. In addition to Local Audit Rest and Recovery Implementation Guidance (LARRIGs) that were published in 2024 by the NAO, further guidance has now been published by the NAO LARRIG 06 - Special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions (e.g reserves balances where a disclaimer has been previously issued). We note the LARRIGs are prepared and published with the endorsement of the Financial Reporting Council (FRC) and are intended to support the reset and recovery of local audit in England.

The 2023/24 audit

In our *Basis of Disclaimer Opinion* section of our audit report in 2023/24 we reported:

In 2023/24 we have only been able to complete our planning and risk assessment work. Due to the capacity constraints in finance team of Maldon and delay in providing the draft accounts we have not undertaken any controls testing or substantive testing of balances disclosed within the financial statements. Therefore, we have issued the Disclaimed opinion in 2023/24.

The 2024/25 audit

Our audit plan, presented to you in July 2025 set out our audit approach including our significant risks and other audit risks. We have updated our response to those significant risks in the pages overleaf, identifying the work we have been able to complete.

Although we issued a disclaimer of opinion, we have reported matters that have come to our attention during the audit and, where appropriate, we intend to include in our audit report. Our audit for 2024/25 is now complete.

We have also started our rebuilding assurance risk assessment. Once this is complete, we will report separately the findings along with the time we will take to complete this work if the findings indicate it is possible to rebuild assurance.

Impact on our audit report on the financial statements

Given our work to rebuild assurance is not complete and due to the statutory backstop date of 27 February 2026, we have determined that there is insufficient time to obtain sufficient appropriate audit evidence over the split of useable and unusable reserves as at 31 March 2025 or 31 March 2024 ahead of the backstop, and, in our view, this is pervasive to the Council's financial position as at 31 March 2025.

Further to this in previous year, we were unable to gain assurance on opening balances as there were no substantive work completed which we consider necessary to form our opinion on the financial statements ahead of the Backstop Date.

As a result of the pervasiveness of the above, we issued a disclaimer of opinion on the financial statements as a whole

The statutory backstop and rebuilding assurance



Other matters

As required by the ISAs (UK) when we are disclaiming our audit opinion on the financial statements as a whole, our audit report will not report on other matters that we would usually report on, most notably the use of the going concern assumption in the preparation of the financial statements; the extent to which our audit was considered capable of detecting irregularities, including fraud; and whether there are material misstatements in the other information presented within the Statement of Accounts.

Although we are disclaiming our audit opinion we have, in this report, reported matters that have come to our attention and, where appropriate, we intend to include in our audit report.

Value for Money

The amendments to the Accounts and Audit Regulations do not impact on our responsibilities in relation to the Council's Value for Money arrangements, specifically we are responsible for reporting if we have identified any significant weaknesses in the arrangements that have been made by the Council to secure economy, efficiency and effectiveness in its use of resources. We also provide a summary of our findings in the commentary in this report.

Page 19 provides a summary of our findings. Further details are also available in our Auditor's Annual Report for 2024/25.

The statutory backstop and rebuilding assurance



Work completed in 2024/25

Our audit plan, presented to you in July 2025 set out our audit approach including our significant risks and other audit risks. We have updated our response to those significant risks in the pages overleaf, identifying the work we have and have not been able to complete.

Although we issued a disclaimer of opinion, we have reported matters that have come to our attention during the audit and, where appropriate, we intend to include in our audit report. Our audit is now complete. The status below sets out the current status of our work. Specifically in relation to 2024/25 we have completed our work on the following areas in addition to our planning and risk assessment work:

Significant risks

- Valuation of Land and buildings inc. Investment properties (Page 9)
- Management Override of Control (Page 11)
- Valuation of Post retirement benefit obligation (Page 13)

Other areas

- Adoption of IFRS 16 (Page 15)

We have been unable to complete our work on a number of areas, including, but not limited to the following areas:

- Split of usable and unusable reserves for the year ended 31 March 2025;
- Valuation of Land and Buildings: we were unable to get the assurance over 2024/25 unvalued population of Land and buildings and no sufficient appropriate audit evidence over opening balance.

Our audit findings

| | |
|-------------------------|-----------|
| Significant audit risks | Page 8-14 |
|-------------------------|-----------|

| | |
|-------------------------|--------------|
| Significant audit risks | Our findings |
|-------------------------|--------------|

| | |
|--|--|
| Valuation of land and buildings | We challenged the management expert assumptions, tested the data provided to the Specialist and performed independent calculation of the valuation on which the carrying value of building is based. We have identified a material audit misstatement of £165k in the valuation of two investment properties which is detailed under audit misstatements section of this report. Refer to page 27. |
| Management override of controls | Our work on journals is completed. We have not found any issues from our substantive work performed. We have found one control deficiency related to review of journals which is consistent with previous years. |
| Valuation of post retirement benefit obligations | The results of our testing were satisfactory. We have not identified any issues in relation to the significant assumptions used within the valuation of the LGPS gross pension liability. |

| Year of Prior Period restatement | Description |
|----------------------------------|-------------|
|----------------------------------|-------------|

| | |
|---------|---|
| 2023/24 | Management have identified a restatement in the prior year comparative Balance Sheet, £6m was presented as Short-term investments which is to be disclosed under Cash and Cash equivalents on the basis of nature of investments. This is a change in the classification presentation which does not affect the overall financial position as it net to nil position). There was also presentational error in the Note 23 banding of Remuneration of Senior staff. These are corrected in the final version of accounts |
|---------|---|

| Misstatements in respect of Disclosures | Description |
|---|-------------|
|---|-------------|

| Misstatement in respect of Disclosures | Our findings |
|--|--------------|
|--|--------------|

| | |
|---------------------------------|---|
| Senior officer's salary banding | We identified that banding was not correctly disclosed for a one officer. This is updated in the final version of the accounts. |
|---------------------------------|---|

| | |
|----------------------|--|
| Termination benefits | We identified that a two members were not included in the disclosure. This is updated in the final version of the accounts |
|----------------------|--|

| | |
|--|---|
| Other presentational disclosure in remuneration of Senior staff's disclosure | We found one presentational errors in the Remuneration of Senior staff disclosures which is corrected in the final version of the accounts. |
|--|---|

| | |
|------------------------------|---|
| Note 29- Council as a Lessor | We noted that there were errors in the value of leases in the lease register which resulted in the disclosure note being overstated by £1.59m. This is corrected in the final version of accounts. Refer to page 15 for more details. |
|------------------------------|---|

| Number of Control deficiencies | Page |
|--------------------------------|------|
|--------------------------------|------|

| | |
|--|----|
| Significant control deficiencies | 0 |
| Other control deficiencies in 2024/25 | 5 |
| Prior year control deficiencies remediated | 17 |

| Uncorrected Audit Misstatements* |
|----------------------------------|
|----------------------------------|

| Understatement/ (overstatement) | £m | % |
|----------------------------------|----|---|
| Revenues | - | - |
| [Surplus/(deficit)] for the year | - | - |
| Total assets | - | - |
| Total taxpayers' equity | - | - |
| Disclosure Note | - | - |

* The misstatements identified are corrected. Hence, there are no uncorrected misstatement to disclose above

Significant risks and Other audit risks



We discussed the significant risks which had the greatest impact on our audit with you when we were planning our audit.

Our risk assessment draws upon our historic knowledge of the business, the industry and the wider economic environment in which Maldon District Council operates.

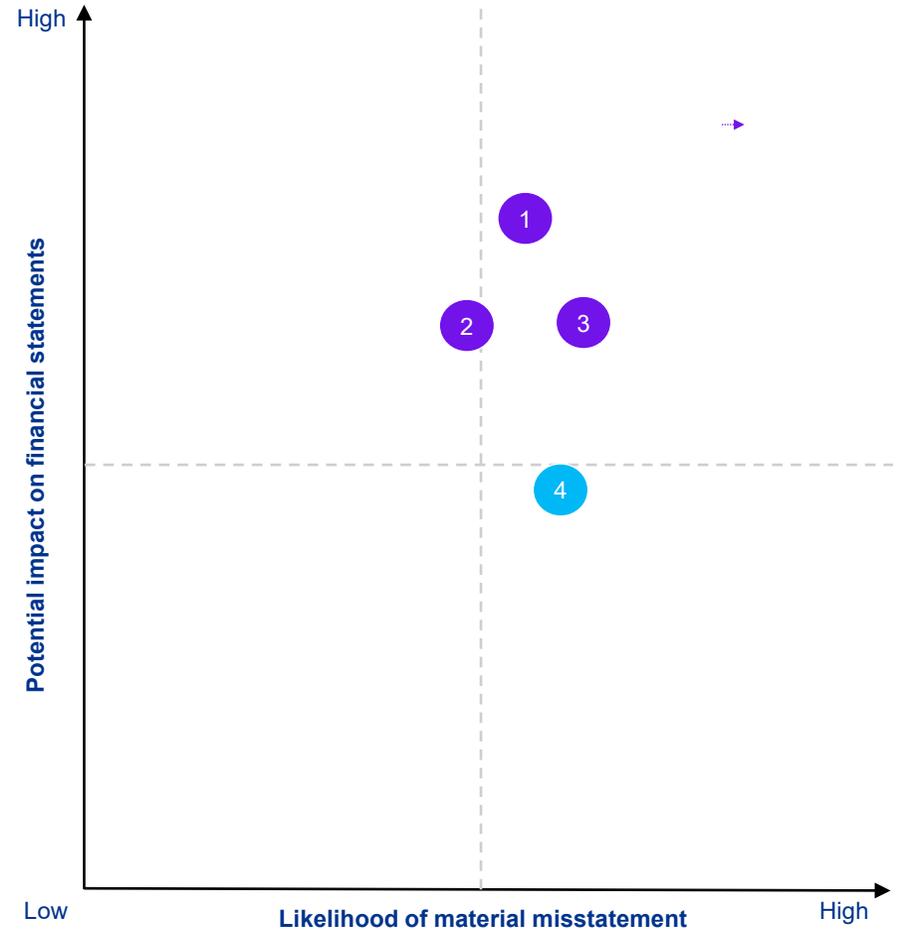
We also use our regular meetings with senior management to update our understanding and take input from local audit teams and internal audit reports.

Significant risks

1. Valuation of land and buildings
2. Management override of controls
3. Valuation of post retirement benefit obligations

Other audit risks

4. Adoption of IFRS 16



- Key:**
- # Significant financial statement audit risks
 - # Key audit matter and significant financial statement audit risk
 - # Significant financial statement audit risks
 - Increasing or decreasing risk compared with planning
 - ▼ Increasing or decreasing risk compared with planning
 - # Other audit risk
 - # New [key audit matter]/[significant audit risk]/[other audit risk]

A significant risk that auditing standards require us to assess on all audit engagements. Not always included in the graph except where we have also identified an entity-specific risk of management override of controls



Audit risks and our audit approach

1 Valuation of land and buildings

There is a risk that the carrying amount of revalued Land & Buildings and investment properties differs materially from the fair value



Significant audit risk

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a five-year cycle, with certain assets, including the council office, leisure centres, being revalued annually. The majority of the council's assets are valued using a non-specialised basis, with two of the properties that are revalued using a specialised basis.

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.

A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer – Valuation office Agency.



Our response.

We have performed the following procedures designed to specifically address the significant risk associated with the valuation:

- We critically assessed the independence, objectivity and expertise of specialist Valuation Office Agency (VoA), the valuers used in developing the valuation of the Council's properties at 31 March 2025;
- We inspected the instructions issued to the valuers for the valuation of land and buildings and investment properties to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We challenged the appropriateness of the valuation of land and buildings and investment properties; including any material movements from the previous revaluations. We challenged key assumptions within the valuation as part of our judgement;
- We agreed the calculations performed of the movements in value of land and buildings and investment properties and verified that these have been accurately accounted for in line with the requirements of the CIPFA Code;
- We utilised our own valuation specialists to review the valuation report prepared by the Council's valuers to confirm the appropriateness of the methodology utilised; and
- Disclosures: We considered the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

Key:
0 Prior year 0 Current year



Audit risks and our audit approach (cont.)

1 Valuation of land and buildings (cont.)

There is a risk that the carrying amount of revalued Land & Buildings and investment properties differs materially from the fair value



Significant audit risk

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a five-year cycle, with certain assets, including the council office, leisure centres, being revalued annually. The majority of the council's assets are valued using a non-specialised basis, with two of the properties that are revalued using a specialised basis.

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.

A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer – Valuation office Agency.



Our findings

- From our work performed, we found the valuer to be independent, objective and have sufficient expertise to carry out the valuation. We have challenged the management expert assumptions, tested the data provided to the expert and performed independent calculation of the valuation on which the carrying value of building is based.
- From our control testing, we have found a control recommendation on the review of management on valuation assumptions. Refer to page 28 for more details.
- From our substantive work performed, we have found an audit misstatement in the valuation of our two investment properties. Refer to page 27 for more details. No other findings to report.

Key:
 Prior year Current year

Audit risks and our audit approach

2

Management override of controls^(a)

Fraud risk related to unpredictable way management override of controls may occur



Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.



Our response

Our audit methodology incorporates the risk of management override as a default significant risk.

- Assessed the accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluated the selection and application of accounting policies.
- In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments.
- Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the normal course of business or are otherwise unusual.
- We analyzed all journals through the year using data and analytics and focussed our testing on those with a higher risk.

Note: (a) Significant risk that professional standards require us to assess in all cases.



Audit risks and our audit approach (cont.)



2

Management override of controls(cont.)^(a)

Fraud risk related to unpredictable way management override of controls may occur



Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.



Our findings

- Communicated our views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.
- We evaluated accounting estimates, including the consideration and did not identify any indicators of management bias.
- Our procedures did not identify any significant unusual journal transactions.
- No issues were identified from related party testing. Our work on journals high-risk criteria samples is completed. We have not identified any audit misstatements. However, we have raised a control finding in respect to journal review control detailed on page 28.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Audit risks and our audit approach



3

Valuation of post retirement benefit obligations (cont.)

There is a risk that an inappropriate amount is estimated and recorded for the defined benefit obligation



Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year-on-year movements.
- We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.



Our response

We have performed the following procedures:

- Understand the processes the Councils have in place to set the assumptions used in the valuation;
- Evaluate the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;
- Perform inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- Agree the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- Evaluate the design and implementation of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;
- Challenge, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Confirm that the accounting treatment and entries applied by the Group are in line with IFRS and the CIPFA Code of Practice;
- Consider the adequacy of the Council's disclosures in respect of the sensitivity of the deficit or surplus to these assumptions;
- Where applicable, assess the level of surplus that should be recognised by the entity.

Key:

 Prior year  Current year

Audit risks and our audit approach (cont.)



3 Valuation of post retirement benefit obligations (cont.)

There is a risk that an inappropriate amount is estimated and recorded for the defined benefit obligation



Page 32



Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year on year movements.
- We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.



Our findings

- From our control testing, we have found that the review of valuation assumptions were not formalised/documentated properly. Therefore, we could not perform the testing of controls. Refer to page 29 where we have raised a control recommendation on this matter.
- Actuarial assumptions are assessed by management for appropriateness. However, the review was not performed on a sufficiently detailed or documented basis to allow us to rely on the control. Consequently, we concluded that controls in place to review the valuation were ineffective as the review of control was not documented which is consistent with the prior period findings. We note the review is considered adequate by management for their own purposes.
- We were satisfied with the independence, objectivity and expertise of the scheme actuary.
- We considered that the assumptions used in valuing the defined benefit obligation and concluded overall to be balanced compared to our central actuarial benchmarks.
- Individually all assumptions are balanced except CPI rate, which is considered as cautious but within reasonable range. This is mainly because proposed CPI rate is 0.16 basis points higher than the KPMG's central benchmark.
- The net pension surplus has been restricted to £nil on the basis of estimated future service costs less the estimated minimum funding contributions meaning the surplus is not recoverable. Additionally, a minimum funding liability of £709k is applied. We agree with the basis for restricting the surplus and recording additional liability.

We note the overall liability is balanced. We are satisfied that we have obtained sufficient appropriate audit evidence to address this risk.

Key: Note: (a) Significant risk that professional standards require us to assess in all cases.
 Prior year Current year



Audit risks and our audit approach



4

Adoption of IFRS 16

An inappropriate amount is estimated and recorded for lease liabilities and right of use assets



Other audit risk

- The Council has adopted IFRS 16 as per CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom (2024/25) with an implementation date of 1 April 2024.

We anticipate the following challenges/impact in the first year of implementation.

- Completeness of lease listing used in transition computations.
- Inadequate lease disclosures as per IFRS 16.
- Inaccurate computation of lease liabilities and right of use assets.
- Training needs for new/existing staff



Our response

We performed the following procedures in order to respond to the other audit risk identified:

- Obtained the full listings of leases and reconciled to the general ledger.
- Reviewed a sample of the lease agreements to determine the terms of the leases and confirmed correct classification.
- Reviewed the transition adjustments passed by the Council
- Reviewed the disclosures made on the financial statements against requirements of IFRS16.



Our findings

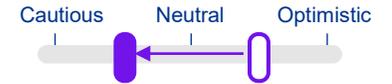
On the basis of above procedures performed, we noted that there is no risk of material misstatement associated with the adoption of IFRS 16 as the closing lease amount for 2024/25 as a lessee is not material.

From our review of Disclosure note "Council as a lessor"- we identified that there were errors in the value of leases in the lease register which resulted in the disclosure note being overstated by £1.59m. This has been updated in the final version of accounts.

Key accounting estimates and management judgements- Overview

Our view of management judgement

Our views on management judgments with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions.



| Asset/liability class | Our view of management judgement | Balance (£'000) | YoY change (£m) | Our view of disclosure of judgements & estimates | Further comments |
|--------------------------------------|----------------------------------|-----------------|-----------------|--|---|
| Valuation of land and buildings | | 29,356 | 1,001 | | Valuation Office Agency (VoA) is an accredited valuer by RICS and follow the industry benchmark and DHCS guideline for the valuations. The management expert judgement was found to be neutral. We found the assumptions to be appropriate. We have completed the work over the valuation of Buildings and noted one control deficiency. Refer to page 10 for more details. |
| Valuation of post retirement benefit | | 770 | 811 | | <p>We are satisfied with the independence, objectivity and expertise of the scheme actuary.</p> <p>We considered that the assumptions used in valuing the defined benefit obligation and concluded it to be balanced as compared to our central actuarial benchmarks.</p> <p>Individually all assumptions are balanced except CPI rate, which is considered as cautious but within reasonable range. This is mainly because proposed CPI rate is 0.16 basis points higher than the KPMG's central benchmark.</p> <p>We have raised one control deficiency regarding the review of actuarial assumptions. Refer to page 14 for more details.</p> |

Key:
 Prior year
 Current year



Other significant matters

While we are disclaiming our audit opinion on the financial statements, we are still required to identify our audit findings based on the work performed. The below are other significant matters we have identified in our audit.

Control deficiencies

We obtain an understanding of internal control to design appropriate audit procedures, but not to express an opinion on the effectiveness of the Council's internal control.

Key:

- These are significant control deficiencies which increase the likelihood and potential magnitude of a material misstatement in the financial statements. We have not identified any significant control deficiencies in the current year.
- These are matters of sufficient importance to note such as weaknesses which were subsequently corrected and matters that could be significant in the future if left unaddressed. We have identified two such deficiencies in the previous year which is still not resolved yet.
- These are less significant weaknesses but which we considered to be of sufficient importance to merit management's attention. We have not raised any related observations in the current year.

● Management review of land and buildings valuation assumptions

Our risk assessment procedures indicated that the Finance Lead and Estates team perform a high-level review of the valuation. However, we could not identify a systematic process by which assets are identified for further investigation. If there is no systematic and precise approach to performing the review, there is a risk that the carrying amount of assets may materially differ to the fair value.

● Management review of actuarial assumptions

In-line with International Auditing Standards, it is important for management to have ownership over the defined benefit pension valuation, even though this draws upon the expertise of actuarial experts engaged by the pension fund itself. While we are aware that management has discussed the assumptions to be used with the scheme actuary, this review and challenge by management has not been documented for our review in line with the requirements of auditing standards for an effective management review control. Auditing standards define a management review control to include independent assessment of underlying assumptions by management. As part of our risk assessment procedures, we carried out a walkthrough to obtain an understanding of the pension assumption review process. We identified that there is no criteria or threshold developed for investigation/identification of outliers for pension assumptions. Therefore, although they do review the output of the actuary, there is no evidence of the review. Thus, there is not sufficiently well-defined process in place for it to meet the criteria of an effective review control.





Other matters

Narrative report

As Performance, Governance and Audit Committee members you confirm that you consider that the Narrative Report, including the Annual Governance Statement, and financial statements taken as a whole are fair, balanced and understandable and provides the information necessary for regulators and other stakeholders to assess the Council's performance, model and strategy.

Our responsibility is to read the other information, which comprises the information included in the Statement of Accounts other than the financial statements and our auditor's report thereon and, in doing so, consider whether, based on our financial statements audit work, the other information is materially misstated or inconsistent with the financial statements or our audit knowledge.

Due to the significance of the matters leading to our expected disclaimer of opinion, and the possible consequential effect on the related disclosures in the other information, whilst in our opinion the other information included in the Statement of Accounts is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information.

Whole of Government Accounts

As required by the National Audit Office (NAO) we carry out specified procedures on the Whole of Government Accounts (WGA) consolidation pack.

We have confirmed that, for Maldon District Council, the threshold at which detailed testing is required has not been exceeded. We have not completed our work in respect of the WGA consolidation pack, until we have completed this work, we are unable to certify the we have completed the audit of the financial statements.

Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning, and no further work or matters have arisen since then.

Audit Fees

We have set out audit fees, as set by PSAA and fee variations on page 23.

We have not completed any non-audit work at the Council during the year.

01

Value for money

Value for Money

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

In discharging these responsibilities, we include a statement within our audit report on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor's Annual Report, which is required to be published on your website alongside your annual report and accounts.

Commentary on arrangements

We have prepared our Auditor's Annual Report and a copy of the report is included within the papers for the Committee alongside this report. The report is required to be published on your website alongside the publication of the annual report and accounts.

Response to risks of significant weaknesses in arrangements to secure value for money

As noted on the right, we have identified no risk of a significant weakness in the Council's arrangements to secure value for money.

Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

| Domain | Risk assessment | Summary of arrangements |
|--|---------------------------------|--------------------------------------|
| Financial sustainability | No significant risks identified | No significant weaknesses identified |
| Governance | No significant risks identified | No significant weaknesses identified |
| Improving economy, efficiency and effectiveness | No significant risks identified | No significant weaknesses identified |

Further detail is set out in our Auditor's Annual Report.



Appendix

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Required communications

| Type | Response |
|--|---|
| Our draft management representation letter | <input checked="" type="checkbox"/> OK We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2025. |
| Adjusted audit differences | <input checked="" type="checkbox"/> OK There was one adjusted audit difference of £167k in valuation of Investment Properties. See Page 27 for more details. We found some presentational errors in the disclosures which is corrected in the final version of the accounts. Refer to page 7 for more details. From our review of Disclosure note "Council as a lessor"- we identified that there were errors in the value of leases in the lease register which resulted in the disclosure note being overstated by £1.59m. This has been updated in the final version of accounts. Refer to page 15 for more details. |
| Unadjusted audit differences | <input checked="" type="checkbox"/> OK None identified. The aggregated surplus impact of unadjusted audit differences would be nil. |
| Related parties | <input checked="" type="checkbox"/> OK There were no significant matters that arose during the audit in connection with the entity's related parties. |
| Other matters warranting attention by the Audit Committee | <input checked="" type="checkbox"/> OK There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process. |
| Control deficiencies | <input checked="" type="checkbox"/> OK We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated in writing. |
| Actual or suspected fraud, noncompliance with laws or regulations or illegal acts | <input checked="" type="checkbox"/> OK No actual or suspected fraud involving Council management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements identified during the audit. |
| Issue a report in the public interest | <input checked="" type="checkbox"/> OK We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters. |

| Type | Response |
|---|---|
| Significant difficulties | <input checked="" type="checkbox"/> OK No significant difficulties were encountered during the audit. |
| Modifications to auditor's report | <input checked="" type="checkbox"/> X Our audit opinion will be disclaimed. See page 4 to 6 for further details. |
| Disagreements with management or scope limitations | <input checked="" type="checkbox"/> OK The engagement team had no disagreements with management, and no scope limitations were imposed by management during the audit. |
| Other information | <input checked="" type="checkbox"/> OK No material inconsistencies were identified related to other information in the statement of accounts. |
| Breaches of independence | <input checked="" type="checkbox"/> OK No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.. |
| Accounting practices | <input checked="" type="checkbox"/> OK Over the course of our audit, we have evaluated the appropriateness of the Councils accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate. |
| Significant matters discussed or subject to correspondence with management | <input checked="" type="checkbox"/> OK The significant matters arising from the audit were discussed, or subject to correspondence, with management. |
| Certify the audit as complete | <input checked="" type="checkbox"/> X We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above. We will issue our certificate once we have received confirmation from the National Audit Office that their audit of the Whole of Government Accounts is complete and therefore all our work in respect of the Authority's Whole of Government Accounts consolidation pack is complete. |
| Whole of government accounts | <input checked="" type="checkbox"/> OK As required by the National Audit Office (NAO) we carry out specified procedures on the Whole of Government Accounts (WGA) consolidation pack. The threshold of detailed testing required has not been exceeded. |



Fees

Audit fee

Our fees for the year ending 31 March 2025 are set out in the table below (note all fees are exclusive of VAT).

| Entity | 2024/25 (£'000) | 2023/24 (£'000) |
|--|-----------------|-----------------|
| Statutory audit, including VFM Scale fee as set by PSAA | 158 | 144 |
| Agreed fee variations for additional work and time incurred* | 18 | 64 |
| Disclaimer fee variation subject to be PSAA approval | 6 | 5 |
| Build back fee variation for risk assessment subject to the PSAA approval ** | 50 | - |
| TOTAL FEE PAYABLE | 232 | 213 |

*This has been agreed with S151 Officer and is subject to PSAA approval

**This is calculated on the basis of number of years of disclaimed audit opinion and risk assessment work completed on Build back assurance

Billing arrangements

Fees have been billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

Note some fees are subject to PSSA determination and will therefore be confirmed on that determination.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Partner and audit staff is not impaired.

To the Performance, Governance and Audit Committee members

Assessment of our objectivity and independence as auditor of Maldon District Council

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result, we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity [except for those detailed below where additional safeguards are in place.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

There are no non-audit services applicable.

Confirmation of Independence (cont.)

Summary of fees

We have considered the fees charged by us to the Council for professional services provided by us during the reporting period.

Fee ratio

There are no non-audit services provided to Maldon.

| | 2024/25 |
|---|------------|
| | £'000 |
| Statutory audit, including VFM | 158 |
| Agreed Fee variations | 18 |
| Other Assurance Services | - |
| Disclaimer fee variation subject to the PSAA approval | 6 |
| Build back fee variation subject to the PSAA approval | 50 |
| Total Fees | 232 |

Application of the FRC Ethical Standard 2019

Your previous auditors will have communicated to you the effect of the application of the FRC Ethical Standard 2019. That standard became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

AGN 01 states that when the auditor provides non-audit services, the total fees for such services to the audited entity and its controlled entities in any one year should not exceed 70% of the total fee for all audit work carried out in respect of the audited entity and its controlled entities for that year.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit and Risk Committee.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Committee of the Group and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

Uncorrected audit misstatements



Given we are disclaiming our audit opinion as described on page 4 there may be other audit misstatements our audit procedures would have identified if we completed our audit procedures as initially planned. In this section, we have reported uncorrected audit misstatements that we have identified.

Under UK auditing standards (ISA (UK) 260) we are required to provide the Performance, Governance and Audit Committee with a summary of uncorrected audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. As communicated previously with the Performance, Governance and Audit Committee.

There are no uncorrected misstatements to report..

Corrected audit misstatements

Under UK auditing standards (ISA (UK) 260) we are required to provide the Performance, Governance and Audit Committee with a summary of corrected audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

| Corrected audit misstatements (£'000s) | | | | |
|--|------------------------|--------------|-----------------|---|
| No. | Detail | SOCI Dr/(cr) | SOFP Dr/(cr) | Comments |
| 1 | Dr Revaluation reserve | | £167,500 | From our work performed, we have identified a material misstatement in the valuation of two investment properties i.e. Land Park Drive and Burnham Gold Club. We consider Land Park drive to be overstated by £336,500 and Burnham Gold club to be understated by £169,000. Hence, the net impact of misstatement will be £167,500 overstatement. |
| | Cr Investment property | | £167,500 | |
| Total | | | £167,500 | |

- We identified some presentational errors in staff banding, termination benefits and other senior officers pay disclosure which is corrected in the final version of the accounts. Refer to page 6 for more details.
- From our review of Disclosure note "Council as a lessor"- we identified that there were errors in the value of leases in the lease register which resulted in the disclosure note being overstated by £1.59m. This is corrected in the final version of accounts. Refer to page 14 for more details.
- Management identified a restatement in the prior year comparative Balance Sheet, £6m was presented as Short-term investments which is to be disclosed under Cash and Cash equivalents on the basis of nature of investments. There was also presentational error in the Note 23 banding of Remuneration of Senior staff. These are corrected in the final version of accounts.

Control Deficiencies

The recommendations raised as a result of our work in the current year are as follows:

Priority rating for recommendations

- 1** **Priority one:** issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.
- 2** **Priority two:** issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.
- 3** **Priority three:** issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date |
|---|------|---|---|
| 1 | 2 | <p>Review of journal entries posted to GL</p> <p>We noted that the standard journals process is that journals are reviewed by someone in a more senior position. There is a manual segregation of duties control operated before the journal is posted, However, there is no automatic segregation of duties enforced by the system and the system does not prevent the unapproved journals being posted. From our review of transactions listing we identified following classification issues which were posted in incorrect accounting codes:</p> <ul style="list-style-type: none"> -Other fee and service charge income transaction listing we identified that there were two entries amounting £77k which were incorrectly posted under income which relates to expenditure accruals reversals. - In payroll expense listing- there was £102k salary cost which incorrectly coded to Other Service expenses. <p>On the basis of above findings, it is noted that journals should be reviewed by senior team members so that these are posted to correct GL code.</p> | <p>Management response: To address this, the mapping exercise will be reviewed in detail to ensure correct classification between income and expenditure for the disclosure note.</p> <p>Officer responsible: Senior Technical Accountant</p> <p>Due date: FY25/26 Accounts closure</p> |
| 2 | 2 | <p>Preparation and Review of bank reconciliation</p> <p>From the review of bank reconciliations, we noted that the method used to prepare the reconciliation is not correct as it had carrying balances from March'24 and the reconciling items which were not cleared until March'25. Also, the amount per general ledger balances were taken incorrectly which resulted in bank reconciliation being incorrectly prepared.</p> <p>Therefore, we recommend management to review the method of reconciliation to be prepared and the reconciliation should be reviewed monthly by senior team members.</p> | <p>Management response: Bank reconciliations have always been completed on a monthly basis but we accept the need to make it clearer where the amounts come from. As a result, we are streamlining the overall process to make it easier to review.</p> <p>Officer responsible: Senior Technical Accountant</p> <p>Due date: November 2025</p> |



Control Deficiencies

The recommendations raised as a result of our work in the current year are as follows:

| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date |
|---|------|---|---|
| 3 | 2 | <p>Management review of actuarial assumption</p> <p>We inquired with the audited entity to understand the pension process. We understood that the Interim Lead Finance Specialist reviews the assumptions and methodologies used in the calculation of the IAS19 Report. This is based on their understanding of the pension scheme, the accounting standard and the business process and circumstances. The documentation is not formalised and may consist of email or corresponding and verbal confirmations. However, the audited entity was not able to provide the evidence of performing the control.</p> | <p>Management response: Historically, we have always reviewed the assumptions used but fully accept the point on having the review formally documented.</p> <p>Officer responsible: Lead Finance Specialist</p> <p>Due date: To be carried out for FY25/26 year end accounts closure.</p> |
| 4 | 2 | <p>Management review of PPE valuation assumption</p> <p>Management reviews the assumptions and methodologies used in the calculation of the valuation. This includes inputs to testing such as square foot data and consideration of specialist/non-specialist classification. This is based on their understanding of the assets, the accounting standard and the business process and circumstances. As part of our risk assessment procedures, we carried out a walkthrough to obtain an understanding of the valuation review process. Via this walkthrough, we identified that there is no criteria or threshold developed for investigation/identification of outliers for valuation assumptions. Furthermore, there was insufficient evidence available to demonstrate the review and challenge of these reports. Therefore, it does not allow for an objective criteria to perform their review on and therefore it is ineffective. Management see this process as an annual occurrence and although they do review the output of the valuation specialist, there is no evidence of the review. Thus, there is not sufficiently well-defined process in place for it to meet the criteria of an effective review control.</p> <p>However, the audited entity was not able to provide the evidence of performing the control.</p> | <p>Management response: Reviews of assumptions used have been carried out in the past but these tended to be light touch. There is a collective agreement that the control needs to be enhanced by having a formal, and documented control of checks and follow up queries. These will be implemented, ready for next year's accounts closure.</p> <p>Officer responsible: Lead Finance Specialist</p> <p>Due date: To be carried out for FY25/26 year end accounts closure.</p> |

Value for Money: Recommendations

The recommendations raised as a result of our work in respect of significant value for money weaknesses in the current year are as follows

| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date |
|---|------|--|---|
| 5 | 2 | <p>Review of Minimum revenue provision (MRP) policy</p> <p>From our review of FY 24/25 MRP policy, we noted that is not detailed enough with all the facts and circumstances of MRP requirements. We also noted that there is internal borrowings which is utilised for purchase of capital assets and council has plans to invest in Leisure Centre in FY 25/26 thus increasing internal borrowings. Therefore, the MRP policy needs revisiting to consider the above facts.</p> <p>Therefore, we recommend the Council to revisit their policy to make it more details inline with MRP Statutory guidance to include the above facts.</p> | <p>Management response: We accepts the recommendation and will review our policy for internal borrowings as there were no internal borrowings in past where MRP needs calculating.</p> <p>Responsible officer: Interim Lead Finance Specialist</p> <p>Due date: FY 2025/26</p> |

Recommendations and Control Deficiencies- – Prior Periods



Although we are disclaiming our audit opinion we have reported recommendations as a result of our work in the current year are as follows:

| Total number of recommendations raised in prior years | Implemented | In progress |
|---|-------------|-------------|
| 21 | 17 | 4 |

| # Ris k | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Update as of January'2026 |
|-----------------------------|---|--|--|
| Financial Statements | | | |
| 1 | <p>2 Maintenance of a related party register (2023/24)</p> <p>Our risk assessment procedures indicated that the Council does not hold a register of related parties. This is not in line with good governance practices. Furthermore, it could lead to the council unknowingly transacting with a related party as well as potential incorrect disclosures in the financial statements.</p> <p>We recommend the Authority holds a uses the annual declaration of interests process to create a related party register that holds counterparties that meet the criteria for related parties under accounting standards and performs a review of transactions with these parties to ensure that transactions with related parties can be clearly identified.</p> | <p>The Council already maintains a list of members declaring interests during committee meetings. However, the Finance Team will look into enhancing the process by maintaining a register and carry out a check against company house for potential related parties.</p> <p>Lead Finance Specialist, May 2025</p> | <p>In progress</p> <p>During the year end accounts closure, the finance team received nil responses from the members – thus warranting no further investigation/checks.</p> <p>Should there be any instance of transactions, these would be subject to further checks.</p> |
| 2 | <p>2 Inconsistent valuation approach to investment properties (2023/24)</p> <p>Our review of the approach taken to investment properties noted that certain investment properties are not included in the annual revaluation. Accounting standards, IAS40, requires all investment properties measured at fair value to be subject to a fair value assessment. This is to ensure there is no material difference between the fair value and carrying value of the assets.</p> <p>Management should ensure all investment properties are subject to an annual fair value assessment. This assessment could be undertaken by an external valuer or internally through an indexation impairment assessment.</p> | <p>The Council already value investments properties every year at fair value. After the original valuation in 2023/24, there was some reclassification of operational assets as investment properties. Going forward, the Council will ensure all assets classified as investment property are subject to a fair value assessment.</p> <p>Lead Finance Specialist, May 2025</p> | <p>Implemented</p> <p>No issues during FY24/25 accounts closure – all investment properties are subject to fair value valuation</p> |

Recommendations and Control Deficiencies- – Prior Periods



| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Update as of January'2026 |
|-----------------|------|--|--------------------------------------|---------------------------|
| Value for Money | | | | |
| 3 | 2 | <p>Further insights into Corporate Risk Register (2023/24)</p> <p>Our review of the Corporate Risk Register and related reporting to the Performance, Governance and Audit Committee identified the following:</p> <ul style="list-style-type: none"> Risks are not assigned a target risk score, meaning that there is a potential lack of clarity about the desired level of risk mitigation. This can lead to risks not being managed effectively, with the potential for resources being deployed to resolve risks which are acceptable to the Council and therefore resources being misallocated. The Corporate Risk Register is available on the internal SharePoint to all colleagues, but Council members are unable to access and review this and are presented with a high-level overview only. Not all actions and control points are presented in this overview, and only the final risk score is presented, which could impact decision making. <p>We recommend the Authority sets target risk scores in line with its risk appetite to better align risk management with strategic objectives and to provide a clear framework for evaluating the success of risk management and that reporting of the Corporate Risk Register to the Performance, Governance and Audit Committee is included in sufficient detail for decision making.</p> | Accepted | In progress |
| 4 | 2 | <p>Policy Management (2023/24)</p> <p>Our review of key relevant policies in place at the Council identified:</p> <ul style="list-style-type: none"> Many policies which had not been updated or reviewed in a number of years. We would expect all policies to be subject to review every 3 years. No evidence or audit trail to indicate what changes had been made to policies reported as having been recently reviewed or the date of this review The policies in place did not consistently identify when they would next be subject to review. <p>We recommend the Authority sets out a standardised template for it policies to ensure that the Council can evidenced they have been reviewed every 3-5 years, logs of changes made to the policies are maintained and the date of next review is evident on the document itself. Alongside this, a register should be maintained and regularly monitored to support the Council in knowing what policies are in existence, and they remain in date.</p> | Accepted | In progress |

Recommendations and Control Deficiencies- – Prior Periods



| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Update as of January'2026 |
|---|------|----------------------------------|--------------------------------------|---------------------------|
|---|------|----------------------------------|--------------------------------------|---------------------------|

Value for Money

5 **2** Savings plans (2023/24) In progress

Our review of the savings plans and our service line enquiries for 2023-24 identified the following:

- Savings plans were primarily from reduction in services and were not always linked to the delivery of the Corporate Plan.
- Savings are RAG rated, but there is no formal criteria for what constitutes a Red, Amber or Green Rating, although it is noted that the impact on likelihood and deliverability is considered.
- Budgets are not formally signed off by service lines

Processes in budget setting have been enhanced by a detailed MTFS review during 2024-25. The weakness has already been addressed as part of FY25-26 budget setting process.
Responsible officer- CFO

We recommend that further areas for growth are reviewed and included in the savings plans, and that a formal criteria for rating savings is developed for review by the Finance Member Group . We also recommend that budgets are formally signed off by service lines to ensure alignment between financial plans and service delivery.

Recommendations and Control Deficiencies – Prior Periods



While we have obtained management responses on the progress of implementing open recommendations raised by your previous auditors, we have not undertaken any detailed testing to verify the responses provided.

| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Current Status (January 2025) | Update as of January'2026 |
|---|------|---|--|---|---|
| 6 | 1 | <p>Preparation of Draft Financial Statements (2021)</p> <p>As part of our review of the Statement of Accounts prepared by Management, we have noted deficiencies with regards to the quality of the Statement of Accounts provided for our review. We have noted the following issues in relation to the accounts preparation process:</p> <ul style="list-style-type: none"> a) Several inconsistencies in the accounting policies disclosed within the financial statements; b) Some inconsistencies between the notes and the Primary Statements; c) Differences noted during our "call and cast" process and various notes not casting appropriately. We recommended that management continues to adopt strengthened quality control and review procedures which could improve on the quality of the statement of accounts which include documented and reviewed internal tie back of the statements to supporting working papers and internal checks of arithmetic accuracy and consistency. | <p>Our SoA model include validation checks for various part of the accounts, such as primary statement to individual note. 23/24 accounts was submitted shortly after 21/22 & 22/23 accounts. Hence we didn't have enough time to resolve validation discrepancies. These discrepancies are predominantly rounding errors.</p> | <p>Management Response: This is part of the on- going work to improve the production of the Council's Statement of Accounts. As a result, there will be a detailed Quality Assurance process in place to help deliver the draft Statement of Accounts 2024-25.</p> <p>Revised Due Date: 31 May 2025</p> <p>Responsible Individual: Lead Finance Specialist</p> | <p>Implemented</p> <p>As part of our accounts closure, the draft Statement of Accounts is subject to a quality assurance process – this includes a casting checks. These were done for the draft FY24/25 SoA – minimal issues were identified by KPMG compared to previous years.</p> |

Recommendations and Control Deficiencies – Prior Periods

While we have obtained management responses on the progress of implementing open recommendations raised by your previous auditors, we have not undertaken any detailed testing to verify the responses provided.

| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Current Status (January 2025) | Update as of January 2026 |
|---|------|--|---|---|---------------------------|
| 7 | 1 | <p>Cash and cash equivalents (2021)</p> <p>From the review performed on the cash & cash equivalent balance, we noted various deficiencies in the cash reconciliation process undertaken during the period, such as:</p> <p>a) Differences between the bank reconciliation and the financial statements; b) Invalid reconciling items which could not be supported or substantiated; c) Monthly reconciliations were not performed on a timely basis, which resulted in significant additional time being required to reconcile and resolve noted errors accumulated from previous months. Although this variances had been subsequently adjusted by management in the financial statements, we have not performed follow up reviews on the adequacy of the adjustments due to the impact of the backstop.</p> | <p>This has improved significantly since 2021: A) Monthly bank reconciliation are taken place on a timely manner and ledger and bank balances are agreed periodically. B) difference in Bank reconciliation are not material and can be justified with evidence. C) there are no invalid reconciliation items for 23/24</p> | <p>Management Response: A robust system is in place with preparer and approver for recoding and reconciling cash book entries. Therefore, already implemented.</p> <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management's assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024- 25 financial statements audit.</p> | Implemented |



Recommendations and Control Deficiencies – Prior Periods

| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Current Status (January 2025) | Update as of January'2026 |
|---|------|---|---|--|--|
| 8 | 1 | <p>Journals (2020)</p> <p>Based on the partial review performed of the financial reporting process during the year, we observed that journal entries could be approved by personnel who reported to the preparer of the journal. Due to the reporting structure which exists within the Council, pressure could be placed on the junior personnel to approve the journal without appropriate review being performed on the journal entry due to the preparer of the journal holding a senior role to the approver. We noted also that evidence regarding the review and approval of journals were not consistently maintained by the council during the period.</p> <p>We recommend that management revisits and strengthens the control environment over the journal entry posting and the financial reporting process to lower the inherent risks to an acceptable level by ensuring that journal entries are approved by personnel with the requisite knowledge and experience.</p> | | <p>Management Response: The Council has a system of posting and reviewing journals which has been improved since 2019/20. Each journal documents the preparer & approver names and contains clear evidence as to why the journal is performed.</p> <p>The Council also ensure journals are not requested to be approved by someone who is managed directly by the journal preparer.</p> <p>Lead Finance Specialist, Implemented.</p> <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management's assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024-25 financial statements audit.</p> | <p>Implemented</p> <p>This control is now firmly in place – and during FY24/25 audit testing, no issues were identified.</p> |
| 9 | 1 | <p>General IT Control (2022)</p> <p>User access reviews are performed over every system, however in the form of a 'risky login' report, which shows Amber or Red logins which are then reviewed on ad-hoc basis. We noted however, that this control was incorporated as a detective control, and did not prevent unauthorised or inappropriate access.</p> <p>We noted also that there was an attempted fraud during the period (May 2022), however unsuccessful, we recommend that management revisits the relevant IT controls and ensure appropriate cybersecurity trainings are provided to employees.</p> | <p>The Council is currently carrying out a review of various systems and this will include log-in access. Cyber security training module is now in use.</p> | <p>Management Response: Implemented.</p> <p>KPMG Response: Our risk assessment procedures over the Council's IT Control Environment has not identified any areas of concern. KPMG are satisfied this recommendation has been fully implemented.</p> | <p>Implemented.</p> |

Recommendations and Control Deficiencies – Prior Periods



| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Current Status (January 2025) | Update as of January'2026 |
|----|------|--|--|--|---|
| 10 | 2 | <p>Housing benefit expenditure (2022)</p> <p>As part of our review of the housing benefit (HB) expenditure business process, we noted that the caseworkers were not required to obtain approval of HB payments below a specific threshold. We further noted that there were no additional checks in place to verify the accuracy of payments made during the year. In addition, we observed that the identity verification of claimants was not consistently performed, which could provide the opportunity for fraud within the HB process.</p> <p>We recommend that management revisits the control relating to the housing benefit payment process to ensure adequate checks are in place.</p> | <p>Identity verification was not consistently undertaken during the lockdown period, but this process has now been reinstated. We conduct random sampling and checks across the entire caseload through various DWP initiatives, such as HBAA, to which we are subscribed. Our robust internal QA processes already include identity and bank account processing, as well as payment verification for new and updated records. A review of these processes is currently underway and will be completed in the 2024-25 fiscal year. The recommendation has been noted for consideration as part of this review.</p> | <p>Management Response: Now implemented.</p> <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management's assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024-25 financial statements audit.</p> | <p>Implemented</p> <p>These will be considered as a part of our rebuild assurance work on opening balances.</p> |

Recommendations and Control Deficiencies – Prior Periods



| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Current Status (January 2025) | Update as of January'2026 |
|----|------|---|--|--|---|
| 11 | 2 | <p>Property, plant and equipment (2019)</p> <p>The Council values its property, plant and equipment on an annual basis using a cyclic model. From our review of the process surrounding the review of the valuation report received by the Council from DVS (external valuer), we noted that there was insufficient specialist input to the review process as although the s151 officer who is charged with the review of the report is CIPFA qualified, the involvement of a specialist would ensure that appropriate challenge is raised regarding the appropriateness of the report, and inconsistencies and/or misstatements in the report received from DVS are adequately flagged during the valuation process.</p> <p>Hence, we recommend that management revises the design of the control relating to the review of the valuation report to ensure appropriate involvement and input by an internal valuation specialist as part of the review process.</p> | <p>Lead Asset Specialist and Finance Specialists do review the VOA's valuations for reasonableness and completeness. In 23/24 this was documented.</p> | <p>Management Response: Implemented.</p> <p>KPMG Response: Our 2023-24 risk assessment procedures considered the management review of the valuation assumptions and identified a deficiency in the design of this control. Whilst the control as designed does not meet the requirements of a management review control as outlined in the auditing standards, it is sufficient for purpose at Maldon and we have not raised a recommendation to address this finding.</p> <p>KPMG are satisfied this recommendation has been fully implemented.</p> | <p>Implemented</p> <p>These will be considered as a part of our rebuild assurance work on opening balances.</p> |

Recommendations and Control Deficiencies – Prior Periods

| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Current Status (January 2025) | Update as of January'2026 |
|----|------|---|--|---|---|
| 12 | 2 | <p>Property, plant and equipment (2022)</p> <p>Based on our review of the valuation report received by the Council from its value (District Valuation Specialist [DVS]), we have identified the following:</p> <p>a) We have, as in prior years, observed a weakness and lack of rigour in the application of the valuation technique on Springfield Industrial Estate with no explicit regard had to the rent reviews or reversionary value of the asset. Whilst the asset is less significant in value a similar observation may be applied to the valuation of White Horse Lane Car Park for which the long-term rent is the subject of annual RPI-linked uplifts.</p> <p>b) For the sampled revalued assets where the profits method was adopted for the revaluation, the evidence to support the capitalisation rate presented related to properties sold as investments with an existing income stream and not as operational entities with no commentary to support the different risk profile</p> <p>c) The supporting valuation working papers present comparable evidence and a degree of rationale in support of the adopted judgemental valuation inputs. However, this information is not included in the valuation report and the relevance of some of the evidence presented is unclear. In future, valuation reports should include recent and relevant occupational and transactional evidence together with an appropriate explanation to support the inputs adopted, especially in relation to valuations for which there is less evidence is available and benchmarking the key inputs requires a greater degree of judgement by the valuer.</p> | <p>Noted. As per previous years' recommendations, this will be requested from VOA as part of engagement agreement going forward.</p> | <p>Management Response: Elements of this recommendation are implemented while other aspects will be addressed as part of 2024-25 accounts closure process.</p> <p>Revised Due Date: 31 May 2025</p> <p>Responsible Individual: Lead Finance Specialist</p> <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management's assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024-25 financial statements audit.</p> <p>Our 2023-24 risk assessment procedures considered the management review of the valuation assumptions and identified a deficiency in the design of this control. Whilst the control as designed does not meet the requirements of a management review control as outlined in the auditing standards, it is sufficient for purpose at Maldon and we have not raised a recommendation to address this finding.</p> | <p>Implemented</p> <p>These will be considered as a part of our rebuild assurance work on opening balances.</p> |

Recommendations and Control Deficiencies – Prior Periods



| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Current Status (January 2025) | Update as of January'2026 |
|------------|------|---|--------------------------------------|-------------------------------|--|
| 12 – cont. | 2 | <p>Property, plant and equipment (2022) - continued</p> <p>d)We have previously observed that MDC should ensure that both income and expenditure information should be available to the valuer where an income approach (profits method) is adopted with support and analysis presented by the valuer. For the sample assets, the DVS were only provided with income data.</p> <p>e)Further detail from the valuer should be included in future impairment reviews to ensure transparency and evidence their reasoning for the conclusions stated. Sources of such data would include BCIS data, analysis of movement within the portfolio of similar assets as well as local market commentaries.</p> <p>f)Based on our review of the Springfield Industrial Estate valuation performed by DVS, we observed that there was no explicit consideration of the reversionary value. No analysis was presented to consider the impact of the outstanding rent reviews on the current passing rent, nor the reversionary value either taking account of the buildings or the underlying site value which would revert to MDC on lease expiry. As the reversion is currently between 38 and 40 years into the future, the impact of the approach adopted currently by the DVS is mitigated. As reversion nears, a more forensic review and consideration of the reversionary value of the site would be expected. Thus, we recommend that consideration of outstanding rent reviews and reversionary value should be addressed in future reviews and as the asset nears reversion.</p> <p>g)In our review of the supporting valuation sheets, we observed that the valuer also adopts both the investment method and profits method as a valuation technique to determine the Exiting Use Value (EUUV) for specific assets within the portfolio. These are both recognised methods of valuation and can be used as either a primary or secondary valuation method for non-specialised PPE assets as well as assets held as an investment, where accompanied by appropriate assumptions such as vacant possession. We however recommend that the DVS ensures that future valuation reports include reference to all appropriate valuation techniques adopted to provide a more accurate and complete overview of the methodologies applied.</p> | As detailed on prior page | As detailed on prior page | Implemented These will be considered as a part of our rebuild assurance work on opening balances. |

Recommendations and Control Deficiencies – Prior Periods



| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Current Status (January 2025) | Update as of January'2026 |
|----|------|--|---|--|---|
| 13 | 2 | <p>Revenue and Income Grants (2021)</p> <p>As part of the monitoring process relating to the recognition of revenue, a COVID 19 Grant Income and Expenditure schedule is updated on a monthly basis by the Lead Finance Specialist. We noted however that there is no independent review performed with regards to the accuracy and completeness of the Grant income schedule. Further, there have been no mitigating controls identified which would ensure that the data included in the Delta return is free from misstatement. We recommend that management revises its control process to ensure adequate reviews are performed around the recognition of grant income</p> | <p>Since 2020/21 processes have improved. A Finance Specialist prepares a grant register at the start of the year. This register is used during the budget monitoring process during the financial year to monitor income and expenditure. This grant register is also being reviewed and monitored by the Senior Technical Accountant.</p> | <p>Management Response: Implemented.</p> <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management's assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024-25 financial statements audit.</p> | <p>Implemented</p> <p>These will be considered as a part of our rebuild assurance work on opening balances.</p> |
| 14 | 2 | <p>Capital Grants Received in advance (2021)</p> <p>From our review of the Council's revalued assets, we noted that the Council had erroneously classified some of its revalued assets as operational assets as opposed to investment assets. We confirmed that these have been subsequently corrected by management in the financial statements, however, we recommend that management revisits its control around the classification of assets. We noted further that the Council had no formal documentation of its internal policies and procedures defining the role and responsibilities of personnel with regards to the management of the Council's assets.</p> | <p>From 2022 onwards, any S106 income without a clawback clause has been recognised in the CIES. The introduction of a grant register has improved the process of recording and monitoring grants, which ensures the correct accounting treatment is applied.</p> | <p>Management Response: Implemented.</p> <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management's assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024-25 financial statements audit.</p> | <p>Implemented</p> <p>These will be considered as a part of our rebuild assurance work on opening balances.</p> |

Recommendations and Control Deficiencies – Prior Periods



| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Current Status (January 2025) | Update as of January 2026 |
|----|------|---|--|--|--|
| 15 | 2 | <p>Revenue and Income Grants (2022)</p> <p>We noted from our review of the grant income process that the Council did not retain evidence of comparing the actual monthly expenditure against the allocated COVID-19 budget. This comparison is crucial for management to monitor spending, identify variances, and take timely corrective action. The absence of this control increases the risk of ineligible or inaccurate expenditures, potentially leading to a misstatement of income. We further noted that the Council did not maintain an updated grant movement schedule classifying grants as ringfenced or unringfenced. This lack of tracking increases the risk of misclassification and misstatement of grant income in the financial statements. We recommend management implements a formal process for monthly budget vs. actual reporting for grants, documenting variance analysis and corrective actions. Additionally, the Council should strengthen the process around grant agreement review and tracking, documenting formal reviews for compliance, developing and maintaining an updated grant movement schedule with ringfenced/unringfenced classifications, and conducting regular reviews for accuracy and completeness.</p> | <p>These returns were regularly reviewed by the Director of Resources, although documentation of such was scarce. Documentation of reviews will be recorded in future.</p> | <p>Management Response: Implemented.</p> <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management’s assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024-25 financial statements audit. .</p> | <p>Implemented These will be considered as a part of our rebuild assurance work on opening balances.</p> |
| 16 | 3 | <p>Operating expenditure (2022)</p> <p>We noted from our review of the expenditure process that updates to the supplier master file do not require approval, allowing caseworkers to make changes without secondary review. We recommend that management revises and strengthens controls over supplier master file updates, mandating appropriate approval and review procedures to mitigate this risk.</p> | <p>Council has reviewed this and put controls in place to ensure the changes are approved.</p> | <p>Management Response: Implemented.</p> <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management’s assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024-25 financial statements audit. .</p> | <p>Implemented These will be considered as a part of our rebuild assurance work on opening balances.</p> |

Recommendations and Control Deficiencies – Prior Periods

| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Current Status (January 2025) | Update as of January 2026 |
|----|------|--|---|--|---|
| 17 | 3 | <p>Property, plant and equipment (2021)</p> <p>Per the Council's account policy for Infrastructure assets, the useful economic life (UEL) for its infrastructure assets range from 10 years to 40 years. We noted however from our review of the Council's asset register and discussion with relevant personnel that the Council does not have a clearly documented process for the determination of the useful economic life of its assets with the process relying on the experience of the Asset & Maintenance personnel with minimal documentation being captured as to how the assets UEL have been determined.</p> <p>We therefore recommend that management ensures it incorporates a clearly documented process for the determination of the Useful Economic Lives of its fixed assets</p> | <p>Agreed. As part of the Fixed Asset Register check list, we include a review of all UEL and basis for determination.</p> | <p>Management Response: Implemented.</p> <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management's assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024-25 financial statements audit.</p> | <p>Implemented</p> <p>These will be considered as a part of our rebuild assurance work on opening balances.</p> |
| 18 | 3 | <p>Property, plant and equipment (2022)</p> <p>From our review of the Council's revalued assets, we noted that the Council had erroneously classified some of its revalued assets as operational assets as opposed to investment assets. We confirmed that these have been subsequently corrected by management in the financial statements, however, we recommend that management revisits its control around the classification of assets. We noted further that the Council had no formal documentation of its internal policies and procedures defining the role and responsibilities of personnel with regards to the management of the Council's assets.</p> | <p>The Council is currently reviewing its assets and implementing a project to create a new Asset Register, which will classify each asset as either operational or investment. This project is scheduled for completion by March 2025. To ensure the ongoing accuracy of the data within the Asset Register, additional controls will be introduced. These controls will include audit trails to document any changes to asset designations, which will be agreed upon by the Assets and Building Services Manager and the Lead Specialist Finance. Furthermore, the Council will review management roles and responsibilities related to Asset Management as part of a broader review, following recent changes to its Senior Management Structure and the appointment of a new Chief Executive and Deputy Chief Executive.</p> | <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management's assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024-25 financial statements audit.</p> | <p>Implemented</p> <p>These will be considered as a part of our rebuild assurance work on opening balances.</p> |

Recommendations and Control Deficiencies – Prior Periods

| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Current Status (January 2025) | Update as of January'2026 |
|----|------|--|---|--|--|
| 19 | 3 | <p>Trade debtors (2022)</p> <p>Based on the partial test performed on the trade debtors during the 2022 financial period, we noted that invoices of £232k had been cancelled, however, these had not been appropriately adjusted in the 2022 accounting records. We recommend that management revisits the controls process around the review of the period end adjustments to ensure the necessary adjustments are captured in the appropriate accounting period.</p> | <p>As part of the debtor reconciliation process and bad debts provision calculation, debts are periodically reviewed, and accruals are checked to ensure invoices are legitimately outstanding at the end of the year. The age of the debt also considered as part of this exercise</p> | <p>Management Response: Implemented.</p> <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management's assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024-25 financial statements audit.</p> | <p>Implemented These will be considered as a part of our rebuild assurance work on opening balances.</p> |
| 20 | 3 | <p>Trade debtors (2021)</p> <p>We noted that the entity does not have a formal written policy for determining provisions for doubtful debts against long outstanding accounts receivable. The establishment of an adequate policy will provide clear guidance to management and ensure consistency and ultimately comparability between year of profits and accounts receivable balances, we thus recommend that a written formal policy be established to recognize doubtful debts in each category of accounts receivable</p> | <p>The provision for doubtful debt is already considered for different areas based on the business needs and historic experience of recovery. E.g. parking debt is different from housing benefit overpayment. This is now in the process of being documented.</p> | <p>Management Response: Implemented, but will be documented as part of 2024-25 accounts closure.</p> <p>Revised Due Date: 31 May 2025</p> <p>Responsible Individual: Lead Finance Specialist</p> <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management's assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024-25 financial statements audit.</p> | <p>Implemented These will be considered as a part of our rebuild assurance work on opening balances.</p> |

Recommendations and Control Deficiencies – Prior Periods



| # | Risk | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Current Status (January 2025) | Update as of January'2026 |
|----|------|---|--|---|---|
| 21 | 3 | <p>Operating expenditure (2022)</p> <p>We noted from our review of the expenditure balance that the Council had not allocated operating expense to the relevant accounting period. We recommend management revisits the control process around the recognition of expenses to ensure appropriate cut-off at the end of each accounting period.</p> | <p>As per accounts closure timetable, there will be a specific task to conduct a cut off review to identify items that should fall under the correct accounting period e.g. March (P12) or April (P1).</p> | <p>Management Response: To be carried out during FY24- 25 Accounts closure.</p> <p>Revised Due Date: 31 May 2025</p> <p>Responsible Individual: Lead Finance Specialist</p> <p>KPMG Response: Due to minimal disclaimed audit procedures being performed as part of our 2023-24 financial statements audit, we are unable to confirm that we agree with management's assessment that this recommendation has been fully implemented. This will be considered further as part of our 2024-25 financial statements audit.</p> | <p>Implemented</p> <p>These will be considered as a part of our rebuild assurance work on opening balances.</p> |



FRC's areas of focus

The FRC released their **Annual Review of Corporate Reporting 2023/24** ('the Review') in **September 2024** having already issued three thematic reviews during the year.

The Review and thematic identify where the FRC believes companies can improve their reporting. These slides give a high level summary of the key topics covered. We encourage management and those charged with governance to read further on those areas which are significant to their entity.



Key expectations for 2024/25 annual reports

Overview

The Review identifies that the quality of reporting across FTSE 350 companies has been maintained this year, but there is a widening gap in standards between FTSE 350 and non-FTSE 350 companies. This is noticeable in the FRC's top two focus areas, 'Impairment of assets' and 'Cash Flow Statements'.

'Provisions and contingencies' has fallen out of the top ten issues for the first time in over five years. This issue is replaced by 'Taskforce for Climate-related Financial Disclosures (TCFD) and climate-related narrative reporting'.

The FRC re-iterates that companies should apply careful judgement to tell a consistent and coherent story whilst ensuring the annual report is clear, concise and Council/Authority-specific.

Pre-issuance checks and restatements

The FRC expects companies to have in place a sufficiently robust self-review process to identify common technical compliance issues. The FRC continues to be frustrated by the increasing level of restatements affecting the presentation of primary statements. This indicates that thorough, 'step-back' reviews are not happening in all cases.

Risks and uncertainties

Geopolitical tensions continue and low growth remains a concern in many economies, particularly with respect to going concern, impairment and recognition/recoverability of tax assets and liabilities. The FRC continue to push for enhanced disclosures of risks and uncertainties. Disclosures should be sufficient to allow users to understand the position taken in the financial statements, and how this position has been impacted by the wider risks and uncertainties discussed elsewhere in the annual report.

Financial reporting framework

The FRC reminds preparers to consider the overarching requirements of the UK financial reporting framework in determining the information to be presented. In particular the requirements for a true and fair view, along with a fair, balanced, and comprehensive review of the Council/Authority's development, position, performance, and future prospects.

The FRC does not expect companies to provide information that is not relevant and material to users, and companies should exercise judgement in determining what information to include.

Companies should also consider including disclosures beyond the specific requirements of the accounting standards where this is necessary to enable users to understand the impact of particular transactions or other events and conditions on the entities financial position, performance and cash flows.

FRC's areas of focus (cont.)

Impairment of assets

Impairment remains a key topic of concern, exacerbated in the current year by an increase in restatements of parent Council/Authority investments in subsidiaries.

Disclosures should provide adequate information about key inputs and assumptions, which should be consistent with events, operations and risks noted elsewhere in the annual report and be supported by a reasonably possible sensitivity analysis as required.

Forecasts should reflect the asset in its current condition when using a value in use approach and should not extend beyond five years without explanation.

Preparers should consider whether there is an indicator of impairment in the parent when its net assets exceed the group's market capitalisation. They should also consider how intercompany loans are factored into these impairment assessments.

Cash flow statements

Cash flow statements remain the most common cause of prior year restatements.

Companies must carefully consider the classification of cash flows and whether cash and cash equivalents meet the definitions and criteria in the standard. The FRC encourage a clear disclosure of the rationale for the treatment of cash flows for key transactions.

Cash flow netting is a frequent cause of restatements and this was highlighted in the ['Offsetting in the financial statements'](#) thematic.

Preparers should ensure the descriptions and amounts of cash flows are consistent with those reported elsewhere and that non-cash transactions are excluded but reported elsewhere if material.

Climate

This is a top-ten issue for the first time this year, following the implementation of TCFD.

Companies should clearly state the extent of compliance with TCFD, the reasons for any non-compliance and the steps and timeframe for remedying that non-compliance. Where a Council/Authority is also applying the CIPFA Climate-related Financial Disclosures, these are mandatory and cannot be 'explained', further the required location in the annual report differs.

Companies are reminded of the importance of focusing only on material climate-related information. Disclosures should be concise and Council/Authority specific and provide sufficient detail without obscuring material information.

It is also important that there is consistency within the annual report, and that material climate related matters are addressed within the financial statements.

Financial instruments

The number of queries on this topic remains high, with Expected Credit Loss (ECL) provisions being a common topic outside of the FTSE 350 and for non-financial and parent companies.

Disclosures on ECL provisions should explain the significant assumptions applied, including concentrations of risk where material. These disclosures should be consistent with circumstances described elsewhere in the annual report.

Council/Authority should ensure sufficient explanation is provided of material financial instruments, including Council/Authority -specific accounting policies.

Lastly, the FRC reminds companies that cash and overdraft balances should be offset only when the qualifying criteria have been met.

Judgements and estimates

Disclosures over judgements and estimates are improving, however these remain vital to allow users to understand the position taken by the Council/Authority. This is particularly important during periods of economic and geopolitical uncertainty.

These disclosures should describe the significant judgements and uncertainties with sufficient, appropriate detail and in simple language.

Estimation uncertainty with a significant risk of a material adjustment within one year should be distinguished from other estimates.

Further, sensitivities and the range of possible outcomes should be provided to allow users to understand the significant judgements and estimates.



FRC's areas of focus (cont.)

Revenue

Disclosures should be specific and, for each material revenue stream, give details of the timing and basis of revenue recognition, and the methodology applied. Where this results in a significant judgement, this should be clear.

Presentation

Disclosures should be consistent with information elsewhere in the annual report and cover Council/Authority - specific material accounting policy information.

A thorough review should be performed for common non-compliance areas of IAS 1.

Income taxes

Evidence supporting the recognition of deferred tax assets should be disclosed in sufficient detail and be consistent with information reported elsewhere in the annual report.

The effect of Pillar Two income taxes should be disclosed where applicable.

Strategic report

The strategic report must be 'fair, balanced and comprehensive'. Including covering all aspects of performance, economic uncertainty and significant movements in the primary statements.

Companies should ensure they comply with all the statutory requirements for making distributions and repurchasing shares.

Fair value measurement

Explanations of the valuation techniques and assumptions used should be clear and specific to the Council/Authority.

Significant unobservable inputs should be quantified and the sensitivity of the fair value to reasonably possible changes in these inputs should provide meaningful information to readers.

Thematic reviews

The FRC has issued three thematic reviews this year: 'Reporting by the UK's largest private companies' (see below), 'Offsetting in the financial statements', and 'IFRS 17 Insurance contracts –Disclosures in the first year of application'. The FRC have also performed Retail sector research (see below).

UK's largest private companies

The quality of reporting by these entities was found to be mixed, particularly in explaining complex or judgemental matters. The FRC would expect a critical review of the draft annual report to consider:

- internal consistency
- whether the report as a whole is clear, concise, and understandable; notably with respect to the strategic report
- whether it omits immaterial information, or
- whether additional information is necessary for the users understanding particularly with respect to revenue, judgments and estimates and provisions

Retail sector focus

Retail is a priority sector for the FRC and the research considered issues of particular relevance to the sector including:

- Impairment testing and the impact of online sales and related infrastructure
- Alternative performance measures including like for like (LFL) and adjusted e.g. pre-IFRS 16 measures
- Leased property and the disclosure of lease term judgements, particularly for expired leases.
- Supplier income arrangements and the clarity of accounting policies and significant judgements around measurement and presentation of these.

2024/25 review priorities

The FRC has indicated that its 2024/25 reviews will focus on the following sectors which are considered by the FRC to be higher risk by virtue of economic or other pressures:

 Industrial metals and mining

 Construction and materials

 Food producers

 Retail

 Gas, water and multi-utilities

 Financial Services

KPMG's Audit quality framework

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every partner/director and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight (and Risk) Committee, and accountability is reinforced through the complete chain of command in all our teams.

■ Commitment to continuous improvement

- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

■ Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

■ Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



■ Association with the right entities

- Select clients within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

■ Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

■ Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members employed KPMG specialists and specific team members



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Auditor's Annual Report for Maldon District Council

Year-ended 31 March 2025

26 February 2026

Contents



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Our audit report will be made solely to the members of Maldon District Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Maldon District Council, as a body, those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Maldon District Council and the members of Maldon District Council, as a body, for our audit work, for our auditor's report[s], for this Auditor's Annual Report, or for the opinions we have formed.

External auditors do not act as a substitute for the Maldon District Council's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.



01

Executive Summary

Executive Summary



Purpose of the Auditor’s Annual Report

This Auditor’s Annual Report provides a summary of the findings and key issues arising from our 2024-25 audit of Maldon District Council (the Council). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the ‘Code of Audit Practice’) and is required to be published by the Council alongside the annual report and accounts. Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014 (the Act). Our responsibilities under the Act, the Code of Audit Practice and International Standards on Auditing (UK) (‘ISAs (UK)’) include the following:

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Financial Statements - To provide an opinion as to whether the financial statements give a true and fair view of the financial position of the Council and of its income and expenditure during the year and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2024/25 (‘the CIPFA Code’).



Narrative report - We assess whether the narrative report is consistent with our knowledge of the Council.



Value for money - To report if we have identified any significant weaknesses in the arrangements that have been made by the Council to secure economy, efficiency and effectiveness in its use of resources. We are also required to provide a summary of our findings in the commentary in this report.



Other powers - We may exercise other powers we have under the Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to any valid objections received from electors.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

| | |
|-------------------------------------|--|
| Financial statements | Our work on financial statement audit for 2024/25 is completed. We have presented our finding on page 8 of this report. |
| Other information | Whilst in our opinion the content of the other information is consistent with the financial statements, as our work is on going we are unable to determine whether there are material misstatements in the other information. |
| Value for money | We identified no significant weaknesses in respect of the arrangements the Council has put in place to secure economy, efficiency, and effectiveness in the use of its resources. Further details are set out on page 10. |
| Whole of Government Accounts | We are required to perform procedures and report to the National Audit Office in respect of the Council’s consolidation return to HM Treasury in order to prepare the Whole of Government Accounts. As the National Audit Office has not yet informed us that we are not required to perform any further procedures, we are unable to confirm that we have concluded our work in this area. |
| Other powers | See overleaf. |

Executive Summary



There are several actions we can take as part of our wider powers under the Act:

Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Council is required to consider it and to bring it to the attention of the public.

As at the date of this report, we have not issued a Public Interest Report this year.

Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Council is taking. We may also apply to the courts for a declaration that an item of expenditure the Council has incurred is unlawful.

As at the date of this report, we have not applied to the courts.

Recommendations

We can make recommendations to the Council. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Act. If we do this, the Council must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Council does not need to take any action, however, should the Council provide us with a response, we will include it within this report.

As at the date of this report, we made no recommendations under Schedule 7 of the Act.

As at the date of this report, we have raised no recommendations related to Value for Money.

Advisory notice

We may issue an advisory notice if we believe that the Council has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Council is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

As at the date of this report, we have not issued an advisory notice this year.

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Council. Where we raise observations, we report these to management and the Performance, Governance and Audit Committee. The Council is not required to take any action to these; however it is good practice to do so and we have included any responses that the Council has given us.



02

Audit of the financial statements

Maldon District Council

Audit of the financial statements



Our responsibility is to conduct an audit of the financial statements in accordance with the Local Audit and Accountability Act 2014, Code of Audit Practice and ISAs (UK) and to issue an auditor’s report.

However, due to the significance of the matters described below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Council financial statements.

We have fulfilled our ethical responsibilities under, and are independent of the council in accordance with, UK ethical requirements including the FRC Ethical Standard.

Our disclaimer of opinion on the Council’s financial statements

We have issued a disclaimer of opinion on the Council’s financial statements on 26 February 2026. We therefore do not express an opinion on the financial statements. The reason for our disclaimer of opinion is as follows:

The Accounts and Audit (Amendment) Regulations 2024 (the “Amendment Regulations”) require the Council to publish its financial statements and our opinion thereon for the year ended 31 March 2025 by 27 February 2026 (the “Backstop Date”).

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date. These areas were: the carrying amount of Land and Buildings, and the balance of, and movements in, usable and unusable reserves for the year ended 31 March 2025.

In addition, we have been unable to obtain sufficient appropriate audit evidence over any of the disclosed comparative figures for the Council for the year ended 31 March 2024 due to the Backstop Date. As a result, we were unable to determine whether there were any consequential effects on the Council’s income and expenditure for the year ended 31 March 2025.

Any adjustments from the above matters would have a consequential effect on the Council’s net assets and the split between usable reserves and unusable reserves as at 31 March 2025 and 31 March 2024, the Collection Fund and on its income and expenditure and cash flows for the years then ended.

Further information on our audit of the Council financial statements is set out overleaf.

Audit of the financial statements

The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit.

Valuation of Land and Buildings inc. Investment properties

The CIPFA Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued over a five-year cycle.

This presents a risk for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the council's valuer

Our procedures

We planned procedures including:

- Reviewing the valuation report prepared by the Council's valuers to confirm the appropriateness of the determined value, and
- Considering the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

Our findings

On the basis of completed the procedures as described above and identified a material misstatements of £167k relating to incorrect valuation of 2 investment properties.

We were unable to obtain full assurance on Land and Buildings year-end balances due to desktop valuation performed in 2024/25. We were unable to complete the procedures we considered necessary to obtain sufficient appropriate audit evidence in relation to this area.

Management Override of control

Auditing standards require us to identify a significant financial statement audit risk linked to fraudulent manipulation of the financial statements.

This is because management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Our procedures

We planned procedures including testing accounting entries posted into the ledger which meet a heightened risk profile.

Our findings

We evaluated accounting estimates, including the consideration and did not identify any indicators of management bias. Our procedures did not identify any significant unusual journal transactions. No issues were identified from related party testing. Our work on journals high-risk criteria samples is completed. We have not identified any audit misstatements. However, we have raised a control finding in respect to journal review control detailed in our ISA 260 report.

Valuation of post retirement benefit obligations

The Council is a member of the Waltham Forest Pension Fund, a Local Government Pension Scheme. Accounting standards require that the value of the liabilities to be paid to current and future pensioners.

The valuation of these liabilities is subject to complex actuarial judgements and assumptions. This means that a small change in an assumption or judgement can have a significant impact on the valuation reached.

Our procedures

We planned procedures including

- Challenging, with the support of our own actuarial specialists, the key assumptions applied in the calculation of the liability, such as the discount rate used, and
- Considering the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

Our findings

Actuarial assumptions are assessed by management for appropriateness. However, the review was not performed on a sufficiently detailed or documented basis to allow us to rely on the control. Consequently, we concluded that controls in place to review the valuation were ineffective as the review of control was not documented which is consistent with the prior period findings. We note the review is considered adequate by management for their own purposes.

We note the overall liability is balanced. We are satisfied that we have obtained sufficient appropriate audit evidence to address this risk.





02

Value for Money

Value for Money



Introduction

We are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or ‘value for money’. We consider whether there are sufficient arrangements in place for the Council for the following criteria, as defined by the Code of Audit Practice:



Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services.



Governance: How the Council ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We do not act as a substitute for the Council’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We are also not required to consider whether all aspects of the Council’s arrangements are operating effectively, or whether the Council has achieved value for money during the year.

Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor’s Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council.

Summary of findings

Our work in relation to value for money is not complete. Matters set out here may change upon the completion of our work.

| | Financial sustainability | Governance | Improving economy, efficiency and effectiveness |
|--|---------------------------------|---------------------------------|---|
| Commentary page reference | 9 | 11 | 13 |
| Identified risks of significant weakness? | ✗ No | ✗ No | ✗ No |
| Actual significant weakness identified? | ✗ No | ✗ No | ✗ No |
| 2023-24 Findings | No significant risks identified | No significant risks identified | One significant risk identified |

Value for Money

National context

We use issues affecting Councils nationally to set the scene for our work. We assess if the issues below apply to this Council.

Local Government Reorganisation

The Government has announced proposals to restructure local government throughout England. County and District councils (and, in some cases, existing Unitary authorities) will be abolished and replaced with new, larger Unitary authorities, which will (in many cases) work together with peers in a regional or sub-regional Combined Authority. Authorities which are unaffected by these proposals may still see changes in local police and fire authorities and in the Council's they already work in collaboration with.

Restructuring has, in some cases, resulted in differing views on how services should be provided in their regions – with little consensus on how previously separate organisations will be knitted together. Councils will need to ensure that investment decisions are in the long-term interest of their regions, and that appropriate governance is in place to support decision making.

Financial performance

Over recent years, Councils have been expected to do more with less. Central government grants have been reduced, and the nature of central government support has become more uncertain in timing and amount. This has caused Councils to cut services and change the way that services are delivered in order to remain financially viable.

Whilst the Government has indicated an intention to restore multi-year funding settlements, giving Councils greater certainty and ability to make longer-term investment decisions, the Government has also proposed linking grant funding to deprivation. For some authorities this presents a significant funding opportunity, whereas for others this reinforces existing financial sustainability concerns and creates new financial planning uncertainties.

Local context

Maldon District Council forms the middle layer of a three-tier structure of local government.

The Council showed a deficit of £1.5m for the 2024-25 financial year. The provisional general fund balance stood at £8.6m, which is above the minimum level per the Council's policy of £2.6m.

The Council has underspent against its Capital Plan for 2024-25, with a number of projects carried forward into 2025-26.

The Council tax collection rates are 97.9% vs budgeted 98% and Non-Domestic rates collection rates are 98.3% vs 99% budgeted.

The Council was subject to a Finance peer review by the Local Government Association in March 2023, which raised a number of recommendations which have been acted upon during the financial year.

Financial Sustainability

How the Council plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Budget setting

The Council has a budget setting timetable which sets out key tasks and deliverables for stakeholders across the organisation. For 2024/25, the Council began the budget setting process in July 2023 Executive Directors were responsible for setting budgets for the Service Lines they lead, with budgets adjusted for known pressures within the Directorate and any efficiencies required. Growth and capital bids were also submitted by service lines, before review by the Finance Member Group and Corporate Leadership Team for challenge before submission to the Strategy and Resources Committee. The Council approved the 2024/25 Budget Estimate in February 2024 which showed a projected cost of services of £12.6m and a gap to be funded from the general fund of £0.15m.

Efficiency plan

The Finance team set targets for savings plans. These are provided to the Service lines as part of the budget setting process and service lines are expected to produce proposals that will deliver the savings. The savings are reviewed by the Executive Leadership Team and the Finance Member Group before formal approval by the Strategy and Resources Committee. For the 2024/25 year, each approved savings proposal had a RAG rating. There is no formal criteria for the RAG rating, but the rating is based on the potential likelihood and impact on the Council's services and delivery. Qualitative risk factors are detailed, and each proposal has a breakdown on the saving, the impact on future financial years and details whether the saving is recurrent. In 2024/25, a high proportion of savings were recurrent but were primarily resource reduction or a result of disbanded programmes. We have raised a performance improvement observation around the savings plans for FY24/25.

Consistency across the financial and operational plans

The Medium -Term Financial Strategy is linked to corporate strategies by the inclusion of budget growth and savings items, which are aligned to service plans provided by budget managers. The Council has a Corporate Plan, which is supported at a service line level by Service Plans. The Council published its Corporate Plan in 2023, this details the Council's strategic ambitions and mission. It included the requirements for success in the provision of good value council services, including aims around workforce, operational plans and includes detail to support capital and estates.



Financial Sustainability

Risks to financial sustainability

The Council has a Medium-Term Financial Strategy which shows key financial decisions set out in the context of a plan that looks forward. The Council's 23/24 Medium Term Financial Strategy for the three years to 2025/26 indicated that the Council was reliant on the use of general reserves, with a budget expectation of a transfer of £2.2m from the General Fund in 2023/24 to fund service provision and would subsequently reach below the minimum general fund target by 2025/26. The Council's actual outturn resulted in a net decrease to the general fund of £0.4m, but this was not as a result of the surplus on the provision of services but was as a result of adjustments between the accounting basis and funding basis under regulations.

Our review of the latest 2024-25 medium financial term strategy and revised sensitivity analysis indicates that the Council is no longer due to hit below its minimum reserves target in the medium term. No issues were identified as the Council maintain the minimum funding reserve as they have good position of General Fund balance of £8.7m as of September 2025 with no change in forecasted reserve.

Budget monitoring

The Council use Pinnacle Budgetary Control reporting where service lines can review budgets against actuals on a monthly basis. Quarterly updates are presented to the Strategy and Resources Committee for discussion and challenge. Forecasts are updated each-month and Finance Business Partners will meet with managers to discuss budgets and any required actions.

Managing financial sustainability risks

Balanced budgetary control features as a high-rated risk on the Corporate Risk Register. These risks are presented to the Performance, Governance and Audit Committee on a quarterly basis. We have provided commentary on the Council's risk management process at page 12. The Local Government Association also highlighted the financial sustainability as a risk in their peer review.

Budget outturn

The outturn for 2024/25 showed a budget underspend of £0.8m with respect to net expenditure. In addition, interest on investments overachieved by the budget by £0.3m.

| Key financial and performance metrics: | 2024-25 | 2023-24 |
|--|---------|---------|
| Planned (surplus)/deficit on provision of services | £0.7m | £0.4m |
| Actual (surplus)/deficit on provision of services | £0.2m | £(0.5)m |
| Usable reserves | £16.8m | £14.4m |
| Year-end borrowings | £0m | £0m |
| Year-end cash position | £14.6m | £14.7m |

**The financial metrics are updated from the Statement of Accounts*

Governance

How the Council ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Risk management

The Council assesses and manages risks through its Risk Management Policy and associated procedures during the financial period. Risks are scored based on likelihood and scale using a 5 x 5 matrix scoring system, which produces a range of scores from 1 to 25. This is supplemented by a risk assessment table which helps employees rate a score by way of examples.

The Council has created a culture in which employees are responsible for identifying, assessing, measuring, monitoring and reporting and escalating significant risks associated with their functions or activities which feed into directorate and corporate risks. Service risks are detailed in the business plan and recorded on SharePoint, and are regularly reviewed between the manager and director.

Service risks can be escalated to the Corporate Risk Register via monthly highlight reporting if the risk score changes. Corporate risks are risks that could potentially prevent the Council achieving the corporate goals and objectives stated in the Corporate Plan. The Corporate Risk Register is available on the SharePoint, which is visible to employees, but not members. The mitigating actions are recorded and both the overall risk scores and the progress of the mitigating actions are updated quarterly by the risk owner or the officer responsible for taking the actions forward. The Council does not have target risk scores for each risk or show the risk scores before or after mitigations. We have raised a performance improvement observation over the risk reporting at the Council.

Quarterly risk reports are submitted to the Performance, Governance and Audit Committee outlining the current risk scores, changes to scores since the last quarter and progress on mitigating actions. The Corporate Risk Register is presented at a higher level to the Committee, and whilst the minutes are indicative of challenge, the level of detail could be improved to allow for enhanced decision making and to show the risk score over a longer time period.

Review and approval of the 2024/25 financial plan

The draft budget for 2024/25 was presented to the Strategy and Resources Committee in January 2024, and the Council formally approved the budget in February 2024. The budget includes details on growth pressures, changes from the prior year and details of key inputs into the budget.

Monitoring performance against budgets and taking actions

Any overspends are highlighted as part of the monthly meetings between the relevant Finance Business Partner and the service line, and are controlled as much as possible within the service line, or within other directorates where relevant. If uncontrolled overspends are identified, they would be escalated to the Strategy and Resources Committee in line with the financial regulations for approval. In 2024/25, overspends were limited and there were no material adverse variances. An outturn report was presented in July 2025 to the Strategy and Resources Committee, which detailed the key variances from the budget.

Governance



Controls in place to prevent and detect fraud

The Council has dedicated policies in place, including an Anti-Fraud and Corruption Policy to assist in the detection, prevention and management of fraud, which was approved by the Performance, Governance and Audit Committee in 2023. It is noted that the Council did not have a dedicated counter fraud resource from the advisory report produced by the Council’s internal auditors, and that the Council’s counter-fraud work is more reactive than proactive, and the Council have developed an action plan as a result of this review. We have raised a performance improvement observation over the audit trail of policies we have inspected to confirm that policies have been reviewed and amended in a timely manner.

Compliance with laws and regulations

The Council are members of the Public Law Partnership, where they are provided updates and attend meetings to share knowledge with other local authorities on legal matters. Policies are reviewed regularly to consider any legal updates. The Council received no whistleblowing reports in 2023/24. The Council has a constitution which sets out a scheme of delegation and responsibility for ensuring lawful decisions are made. The Council also has a dedicated Monitoring Officer who is responsible for monitoring general compliance and making reports to the Council where relevant. The Council published their draft 2023/24 financial statements for audit on the 15th December 2024. This publication was not in accordance with the Audit and Accounts Regulations. The accounts were advertised and held an inspection period for members of the public in line with these regulations.. The delay in the production and publication of the draft accounts was due to constraints on resourcing. We have raised a significant weakness over this. The Council has not had any significant reorganisation in the financial year.

Scrutiny of decisions

The Council’s decision-making processes are derived from the Council’s Constitution, which includes the Articles, Responsibilities and Functions and Rules of Procedure. Codes and Protocol and the decision-making framework of the Council are clearly articulated in the Constitution, and the Constitution sets out the relevant and delegated responsibilities of the Council and relevant Committees and officers. Key decisions are escalated to the Council after approval from sub-committees. Our review of decisions made within 2023/24 confirmed that there was a decision template that had been completed appropriately. The proposed decision includes the impact on the strategic priorities set out in the Corporate Plan and implications on customers, equalities, risk and financial and human resources. We note that the Council maintain a register of decisions, which is held on the Council website for publicreview

| | 2024/25 | 2023-24 |
|---|-------------------------------------|-------------------------------------|
| Control deficiencies reported in the Annual Governance Statement | No significant control deficiencies | No significant control deficiencies |
| Head of Internal Audit Opinion | Moderate assurance | Moderate assurance |
| Local Government Ombudsman findings | No significant findings | No significant findings |

Improving economy, efficiency and effectiveness



How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

Summary of risk assessment

Corporate plan and performance reporting

The Council's Corporate Plan covers the period from 2023-27 and contains the vision to be a sustainable council, promoting growth and investment at every opportunity and to support their communities through excellent partnership working and to maintain and improve quality of life. The Corporate Plan lists the six strategic priorities. A quarterly performance review is presented to the Performance, Governance and Audit Committee including an overall RAG rating and progress against relevant Key Performance Indicators to measure the Council's performance against plan. The report is sufficiently detailed and includes a number of performance metrics presented clearly.

Monitoring of performance and services

Service lines provide highlight reporting which are reviewed by the Corporate Leadership Team. This includes an overall service plan RAG status for the month, service highlights and lowlights and key items for escalation and discussion, including risks for escalation, budget updates and concerns and health and safety updates or issues.

Engagement with stakeholders in development of the organisation

In February 2023, the Local Government Association performed a Finance Peer Challenge over the Council's financial leadership, financial strategy, planning & forecasting, decision making, financial outcomes and partnership and innovation. In addition to these areas, the Council asked the peer team to provide a view on the Council's current budget setting process and a check over the robustness of the strategic financial processes.

A number of key recommendations and suggestions were made by the Local Government Association to improve the financial sustainability and improve cohesiveness between the strategies and plans and enhance collaborative working at the Council. In particular, the review identified concerns over the structure, capacity and technical skills within the finance team. The recommendations has been all actioned in current year and no further issues were noted.

Improving economy, efficiency and effectiveness



Partnership working and monitoring

The Council works with a number of partners to deliver strategic priorities. For instance, the Community Safety Partnership includes the Council and a number of local agencies and organisations to tackle crime and disorder to help create safer communities. Priorities are set on a yearly basis, and a Strategic Assessment is undertaken each year which includes data analysis of levels of crimes from a resident's survey to allow the Partnership to set its priorities.

We note that no new significant outsourcing arrangements have been initiated in 2024/25.

Value for Money: Prior Year Recommendations

Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in prior periods:



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| # | Grading | Issue, Impact and Recommendation | Management Response/Officer/Due Date | Update as of October'2025 |
|---|-----------|--|--|---|
| 1 | Statutory | <p>Our review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources identified the following concerns in respect of the capacity of the Authority's finance team:</p> <p>We note that the wider local government system issues impacted the production of the accounts and put pressures on the small finance team during the 2023-24 period, with the external audit of the Council's 2020/21– 2022/23 financial statements being significantly delayed, with the audits concluding in December 2024 for prior periods. However, Maldon was required to publish its 2023/24 draft accounts for public inspection by 31 May 2024. The 2023/24 draft accounts were published for public inspection on the 15th of December 2024, thus indicating challenges within the finance team. In the 23/24 draft financial statements published for inspection, the Council reported a material prior period audit misstatement. Since publicising the draft accounts, management have identified a high volume of adjustments to the balance sheet and notes to the accounts. We note that the prior auditor previously raised significant control findings linked to the preparation of accounts, which we do not consider to be fully implemented, nor does the Authority report them to be fully implemented. We acknowledge that after the financial year end, the Council has taken steps to improve the capacity within the finance function in 2024/25</p> <p>These matters are evidence of weaknesses in 23/24 of proper arrangements for reliable and timely financial reporting that supports the delivery of strategic priorities and ensures compliance with statutory deadlines.</p> <p>We recommend that the Authority develops, and then monitors, a detailed action plan outlining how they expect to return to a financial reporting timetable which ensures a good quality set of draft accounts are published in line with the statutory deadline. Where required, the Authority should invest in additional resources within the finance team to ensure future compliance with statutory reporting deadlines</p> | <p>Management Response: As s151 officer, I am confident that the peer review recommendations have been addressed and mitigating actions have been implemented to strengthen the finance team and internal processes.</p> <p>A new Section 151 Officer and Deputy Section 151 Officer have been recruited to provide much-needed support and skills to improve processes, train staff and impart knowledge to the Finance team to ensure the team are operating effectively and efficiently.</p> <p>A growth bid for 3 additional finance staff has been approved and recruitment will begin in the next few weeks. This includes one technical accountant, one senior finance specialist to support the budget monitoring team and one finance specialist (Level 1) to support the other specialists (level2)</p> <p>Officer: Ben Cookson, Chief Finance Officer (Interim)</p> | <p>Completed</p> <p>This has been addressed in FY 2024/25 as the draft accounts were published on time and in year balances are being audited by KPMG in line with the statutory timeline.</p> |



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REPORT of DIRECTOR OF FINANCE

to
PERFORMANCE GOVERNANCE AND AUDIT COMMITTEE
12 MARCH 2026

STATEMENT OF ACCOUNTS 2024/25

1. PURPOSE OF THE REPORT

- 1.1 To present the statement of accounts for the year 2024/25 for Maldon District Council to the Performance, Governance and Audit Committee (the Committee) for approval.
- 1.2 To confirm the final position arising from the completion of the External Audit review of the 2024/25 accounts.

2. RECOMMENDATION

That the Committee approves the attached accounts (**APPENDIX 1**) as the final version of the accounts for the Council for the year 2024/25.

3. SUMMARY OF KEY ISSUES

- 3.1 The accounts for 2024/25 were presented to the Committee in July 2025 having been prepared and published on the council website by the deadline of 30 June 2025. These were the 'pre-audit' or 'draft' accounts.
- 3.2 The independent external auditor undertook a review of the accounts and the supporting working papers. This was reported back to the Committee in subsequent meetings.
- 3.3 In January 2026 the Committee received a final update and agreed delegated responsibility for any further changes to be made by the Director of Finance in consultation with the Committee Chairperson ahead of the 'back stop' date for signing the accounts, which was 27 February 2026.
- 3.4 The back stop date was achieved with fully signed accounts being confirmed on 26 February 2026. The Committee can take considerable assurance from the progress of the audit review of the accounts, both in terms of the accuracy of the accounts and also in terms of the ability of the council to prepare them in a timely way. If records are not held in a structured and robust manner it is much more difficult to prepare accurate accounts. It is incumbent on the council to properly account for public money due to the considerable sums involved.
- 3.5 The fully signed accounts for 2024/25 are brought back to the Committee for formal acceptance and approval in line with the recommendations approved in January 2026.

- 3.6 The fully signed accounts have been published on the Council's website, alongside the accounts for previous years and the reports made by the external auditors (here: [Statement of Accounts | Statement of Accounts | Maldon District Council](#)).

4. CONCLUSION

- 4.1 The accounts for the Council for the year 2024/25 are now finalised and are presented for approval by the Committee.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Supporting our communities

- 5.1.1 The accounts demonstrate how the funding received by the council has been applied during the year. Audit review and confirmation of the accuracy of the accounts provides the community with assurance that the accounts are transparently prepared.

5.2 Investing in our District

- 5.2.1 As at 5.1.1.

5.3 Growing our economy

- 5.3.1 As at 5.1.1.

5.4 Protecting our environment

- 5.4.1 As at 5.1.1.

5.5 Delivering good quality services

- 5.5.1 As at 5.1.1.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk (including Fraud implications)** – None directly.
- (iv) **Impact on Resources (financial)** – None directly.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on Devolution / Local Government Reorganisation** – Maintaining clear progress towards unqualified accounts will be a key objective for all councils affected by reorganisation. The progress made by this Council in this regard is clearly demonstrated by the conclusion of the 2024/25 accounts.

Background Papers: [Statement of Accounts | Statement of Accounts | Maldon District Council](#)

Enquiries to: Ben Jay, Director of Finance.

Final Statement of Accounts

Maldon District Council 2024/25



This document can be made available on request in larger print, braille and audio and in languages other than English.

To request a copy in an alternative format please go to the online form at :

www.maldon.gov.uk/contact

MALDON DISTRICT COUNCIL

FINAL STATEMENT OF ACCOUNTS 2024-25

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SECTION – 1

NARRATIVE STATEMENT

Introduction

I am pleased to present the Statement of Accounts for Maldon District Council for 2024/25.

Our Purpose and Role

As a District Council we exist to:

- ensure the provision of good quality and improving local services accessible to all those who need them;
- promote improvement in the quality of life for all our residents;
- use our devolved powers of regulation for the wider good; and
- champion the needs of the District at local, regional and national levels.

We play a number of roles that affect how directly we will control or influence meeting the goals for the District. In summary these roles are:

As **Regulator** – We hold various regulatory powers such as planning, licensing, and environmental health. Through these we can have both direct control and indirect influence over other organisations and their actions.

As **Service Provider** – In addition to our regulatory service provision, we also have a statutory duty to provide a number of other services that are vital to the local community including refuse and recycling collection, housing benefit provision, council tax collection, and assisting the homeless. Councils also have a role in advancing the health, economic, cultural and leisure agendas.

As **Community Leader** – As the democratically elected body for the District, we have a role in leading on issues important to our local communities, working with them to help shape their aspirations and explore ways in which they can be delivered; advocating on behalf of them at national, regional and county levels, and planning and safeguarding for the future of our District and its communities.

As **Partner** – We have a good track record of working in partnership with various organisations to deliver services and secure improvements for our local communities. Difficult financial times reinforce the need to review how we, and others, support and facilitate partnership working in the District in the future. Effective partnership working can be key to addressing some of the wider ranging issues and we will continue to work with partners to help deliver shared ambitions where appropriate.

Maldon is a rural District in the heart of Essex. The population is ageing, but also growing as there are a number of large housing developments in the area. These form key triggers for the Councils objectives around supporting the demographic and ensuring that there is the relevant infrastructure for the growing demand.

The purpose of the Statement of Accounts is to provide clear information to readers on how Maldon District Council has utilised available financial resources using CIPFA's code on Local Council Accounting, based on International Financial Reporting Standards (IFRS). This document provides details of the Comprehensive Income and Expenditure for the financial year 2024/2025. The report provides the accounting for the General Fund and Collection Fund and all other accounts for which the Council is responsible. The Council's Balance Sheet provides details of its assets and liabilities as at 31 March 2025. Other supporting statements and notes are provided to help to explain the figures in the accounts. In addition, a glossary can be found at the back of this publication to help explain some of the technical terms.

NARRATIVE STATEMENT (continued)

The accounts and other relevant information, such as the annual governance statement and value for money, are subject to audit by KPMG LLP who provide their opinion on the Council's statement of accounts.

The Statement of Accounts

The Statement of accounts for the year ended 31 March 2025 consist of the following statements:

Statement of Responsibilities

The statement sets out the respective responsibilities of Maldon District Council (the Council) and the Director of Finance (S151), who is responsible for Finance.

Independent Auditor's Report

The Independent Auditor is required to publish an opinion on whether the financial statements give a true and fair view of the financial position and the expenditure and income of the Council for the year in question. The auditor also has a responsibility to satisfy themselves that the Council has put in place proper arrangements to secure economy, efficiency and effectiveness (value for money) in its use of resources by review and examination of the Council's corporate performance management and financial management arrangements. The Comptroller & Auditor General (National Audit Office) prepares the code of audit practice which external auditors follow when carrying out their duties.

The Financial Statements:**PRIMARY STATEMENTS****Comprehensive Income and Expenditure Statement**

The comprehensive income and expenditure statement shows the accounting cost during the financial year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the expenditure and funding analysis and the movement in reserves statement.

Movement in Reserves Statement

The movement in reserves statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net increase/decrease line shows the statutory general fund balance movements in the year following those adjustments.

Balance Sheet

The balance sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the movement in reserves statement line 'adjustments between accounting basis and funding basis under regulations'.

NARRATIVE STATEMENT (continued)**Cash flow statement**

The cash flow statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Council in preparing and presenting its financial statements.

Notes to the Accounts

The Notes provide further breakdown and explanation of amounts included in the above financial statements. Further supplementary financial statements and other additional information are provided, comprising:

Collection Fund

The Collection Fund statement reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing Council in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

NARRATIVE STATEMENT (continued)

Summary of the Financial Outturn for the Year

The overall CIES shows a surplus of £1.9m (£9.9m deficit in 2023/24) comprising of the following:

| 2023/24 | | 2024/25 |
|--------------|--|----------------|
| £'000 | | £'000 |
| (480) | (Surplus)/Deficit on Provision of Services | (1,364) |
| 10,420 | Other Comprehensive Income and Expenditure (Surplus)/Deficit | (612) |
| 9,940 | Total Comprehensive Income (Surplus)/Deficit | (1,976) |

The Council is required to determine its revenue (including amounts from Council Taxpayers) and capital resources according to statutory regulations rather than IFRS. Adjustments must therefore be made to the Surplus or Deficit on Provision of Services to reconcile the IFRS accounts to the actual change in the Council's resources available as reflected in the Usable Reserves.

| 2023/24 | | 2024/25 |
|------------|--|----------------|
| £'000 | | £'000 |
| (480) | (Surplus)/Deficit on Provision of Services | (1,364) |
| 825 | Adjustments between accounting basis and funding basis under regulations | (1,265) |
| 345 | (Increase)/Reduction in Usable Reserves of the Council | (2,629) |
| | <i>Comprising:</i> | |
| (16) | (Increase)/Reduction in Revenue Balances and Reserves | 1,637 |
| 361 | (Increase)/Reduction in Capital Balances and Reserves | (4,266) |

Revenue Expenditure and Sources of Finance

Revenue expenditure reflects the cost (on an IFRS basis) to the Council of providing services to the community. Revenue expenditure totalled £33.3m (£31.7m for 2023/24).

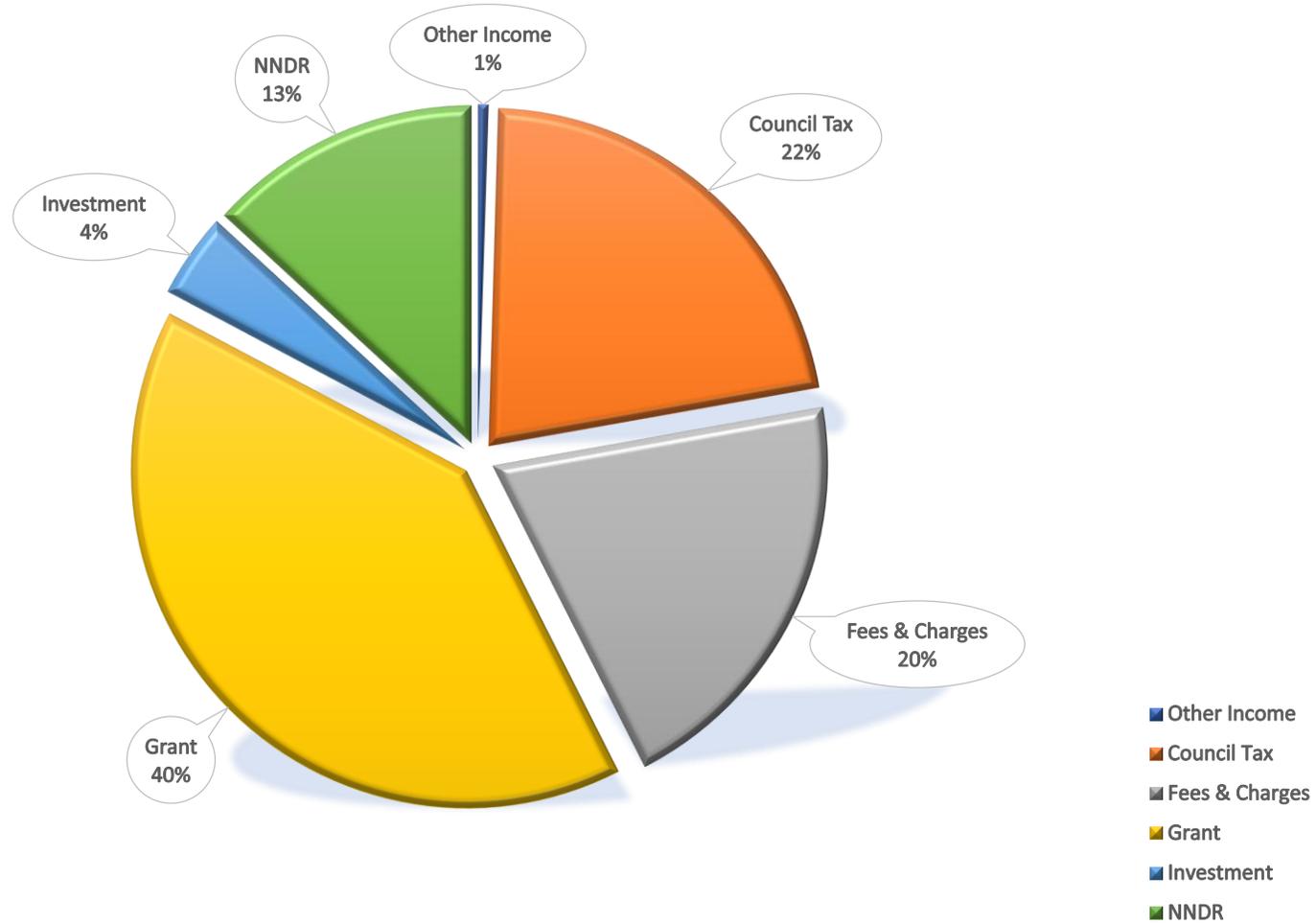
| 2023/24 | | Service | 2024/25 | |
|-------------------|------------|----------------------------------|-------------------|------------|
| Gross Expenditure | | | Gross Expenditure | |
| £'000 | % | | £'000 | % |
| 6,079 | 19 | Strategy & Resources Directorate | 7,093 | 21 |
| 25,571 | 81 | Service Delivery Directorate | 26,156 | 79 |
| 31,650 | 100 | Cost of Services | 33,249 | 100 |

NARRATIVE STATEMENT (continued)

Revenue Expenditure and Sources of Finance (Cont.)

Funding for the revenue expenditure comes from a variety of sources :

Where funding for the council services comes from (actuals)



NARRATIVE STATEMENT (continued)

Performance Against Net Revenue Budget

The budgeted net revenue expenditure for the Council for 2024/25 was £12.900m. Actual net expenditure for the year was £12.891m resulting in a £9k underspend, a summary of which is shown in the table below. This is shown without the capital charges.

| | 2024/25 | 2024/25 | 2024/25 |
|--|-----------------|---------------------|----------------|
| | Approved Budget | Actuals Expenditure | Variance |
| | £'000 | £'000 | £'000 |
| Strategy & Resources Directorate | 5,180 | 5,841 | 661 |
| Service Delivery Directorate | 7,720 | 7,050 | (670) |
| Net Cost of Services | 12,900 | 12,891 | (9) |
| Investment & Rental Income | (1,000) | (1,487) | (487) |
| General Grants & Other Income | (1,322) | (1,321) | 1 |
| Council Tax Receipts | (6,222) | (6,221) | 1 |
| Business Rate Income | (6,712) | (6,909) | (197) |
| MRP Charge | - | 14 | 14 |
| Budgeted transfer to Earmarked Reserves (excludes Agreed drawdowns & Service C/Fwds) | 1,853 | 1,478 | (375) |
| Budgeted transfer to General Fund | (503) | (1,555) | (1,052) |
| Net transfer (to) / from Earmarked Reserve | - | (159) | (159) |

A reconciliation of the outturn position (reported above) to the Comprehensive Income and Expenditure Statement is shown in Note 7 - the Expenditure and Funding Analysis.

NARRATIVE STATEMENT (continued)

Capital Expenditure

Capital Expenditure for 2024/25 was £6,913k (928k in 2023/24)

A summary of the key capital schemes for 2024/25 is shown below:

| Scheme | Budget | Actual spend to | Variance |
|--|---------|-----------------|---------------|
| | 2024/25 | 31-March-2025 | 31-March-2025 |
| | £'000 | £'000 | £'000 |
| Waste Vehicles | 3,969 | 3,941 | (28) |
| Trimas Pegasus - Grass cutting machine | 35 | 31 | (4) |
| John Deere Gator Vehicle replacement | 30 | 30 | - |
| PC and Printer Replacement Programme | 47 | 41 | (6) |
| White Horse Lane resurfacing | 77 | - | (77) |
| Butt Lane subsidence repairs | 60 | - | (60) |
| Promenade Park Amphitheatre Strengthening | 113 | 95 | (18) |
| Goldhanger – Decommission garages | 17 | - | (17) |
| Seawall and Coach Park toilets – replacement lighting | 12 | - | (12) |
| Matting Play surfacing for 4 sites | 75 | 75 | - |
| Longfields pathways tarmacking | 45 | - | (45) |
| Remembrance Avenue – Road resurface. | 32 | 25 | (7) |
| New Accessible Play site | 93 | - | (93) |
| Splash Park Element (Year 3) | 30 | 20 | (10) |
| Scout Hut – New flooring | 26 | - | (26) |
| St Georges Play Site – Equipment renewal relocation and installation | 17 | - | (17) |
| Blackwater Air Handling unit | 47 | - | (47) |
| Changing places - Blackwater leisure centre | - | 73 | 73 |
| New Leisure Centre Facilities | - | - | - |
| New Navigation buoys | 14 | 14 | - |
| Burnham on crouch Houseboats berth | 102 | - | (102) |
| Burnham On Crouch Pontoon | 130 | 106 | (24) |
| Renovation of garden of remembrance | 10 | - | (10) |
| Prom Park - The Valley - Play Galleon | 226 | 226 | - |
| District accessibility - BOC Accessible Play | 120 | 120 | - |
| Play Equipment Prom Park Sensory | 110 | 111 | 1 |
| Riverside Park - Skate Park Equipment and Surface | 140 | - | (140) |
| Maldon Skate Park/BMX Track refurbishment Resurfacing | 617 | - | (617) |
| Riverside Skate Park Equipment and Surface | 186 | - | (186) |
| West Maldon skate park / BMX track | 50 | 50 | - |
| Community Supermarket NRS | - | 9 | 9 |
| Cost of living – Mobile Community Supermarket CAP | 5 | 5 | - |

| | | | APPENDIX 14 |
|--------------------------------------|--------------|--------------|--------------------|
| ukspf Seating for open spaces | - | 34 | |
| Lower High Street Improvements CAP | 60 | 58 | (2) |
| Men's Shed Relocation | 145 | 155 | 10 |
| REPF Funded Projects | 409 | 409 | - |
| Lighting for youth facilities | 30 | - | (30) |
| Food Waste Bins | - | 4 | 4 |
| Mandatory Disabled Facilities Grants | 539 | 665 | 126 |
| Stephens House | 539 | 540 | 1 |
| Stephens House refurbishment | - | 76 | 76 |
| Total Funding | 8,157 | 6,913 | (1,244) |

The key variances include Maldon skate park, Riverside park skatepark, New Accessible play site, Scout hut, Butt lane and White horse lane car park resurfacing all of these have been requested to carry forward into 25/26. The housing disabled facilities overspent but prior years grants covered this. The Burnham on crouch house berths and riverside park skatepark project were not continued. The men's shed project and Stephens house refurbishment were overspent but were within the overall capital budget. The underspends for Goldhanger garages, garden of remembrance and prom park seawall lighting was due to the expenditure being treated as revenue expenditure.

NARRATIVE STATEMENT (continued)

Pension Fund

The Council's share of the assets and liabilities of the Pension Fund have moved from a net liability of £1.581m to net liability of £0.770m. An asset ceiling adjustment then resulted in a pension liability of £0.770m recognised in the Statement of Financial Position as of 31st March 2025. A further explanation can be found in note 30 to the Core Financial Statements. It is important to understand that the net pension liability is a position taken at just one point in time. Market prices can move up as well as down in the short term and it is therefore not possible to quantify what long term effect the movement in market prices will have on the Pension Fund. The Fund Actuary had made a proper allowance for the minimum funding requirement.

Provisions/Contingencies

The Council makes provisions for Bad Debts and for Business Rate Appeals that have been assessed as having a "probable" success rate. 2023/24 was the first year for 2023 Appeals to take place, so the probable success rate of appeals has increased substantially and is reflected in an increased provision.

The Council did not make any provision for contingent liabilities i.e. "possible" obligations in 2024/25.

Future Outlook Revenue

The Council has set a balanced budget for 2025/26 but there remains a revenue budget gap over the Council's Medium-Term Financial Strategy for 2026/27 financial year and beyond. In response to this, the Council is identifying measures to ensure its future sustainability. It continues to hold robust levels of reserves.

As at 31 March 2025 the Council's provisional general fund balance stood at £8,636k. This balance is a general reserve and is not earmarked for any specific expenditure.

The Council's policy is to set the minimum level of General Balances at £2.6m.

Based on current estimates the general fund balance is not forecast to drop below £2.6m in the medium term, however, there remains risk about the overall economic outlook and any possible impact on council tax and business rates collection.



NARRATIVE STATEMENT (continued)

Capital

| Estimated Future Capital Spending | 2025/26 | 2026/27 | 2027/28 |
|---|--------------|--------------|------------|
| | £'000 | £'000 | £'000 |
| Project Title | | | |
| Community Engagement Team Vehicle | 18 | - | - |
| Maintenance Team Vehicle | 35 | - | - |
| Tractor Side-Arm Flail | 40 | - | - |
| Ride on Mower | 35 | - | - |
| Parks Vehicle Transit | 35 | - | - |
| PC and Printer Replacement Programme | 47 | 47 | 47 |
| Fencing and Bollards - Parks | 20 | - | - |
| MDC Roads Resurfacing | 98 | - | - |
| Plume school - Replacement Carpet Astro pitch | - | - | - |
| New Leisure Centre Facilities | 4,000 | - | - |
| New Play site Equipment | 125 | 125 | - |
| Play site Surfacing - Oaktree Meadow | 60 | 1,000 | - |
| Play Site Fencing | 60 | 125 | - |
| New accessible play site (Sensory) | 100 | - | - |
| Mandatory Disabled Facilities Grants | 539 | 539 | 539 |
| Total Capital Programme | 5,212 | 1,836 | 586 |
| Financed by: | | | |
| Capital Receipts Applied | 573 | 297 | 47 |
| S.106 Contributions | 100 | - | - |
| Internal Borrowing | 4,000 | 1,000 | - |
| Government Grants | 539 | 539 | 539 |
| Total Funding | 5,212 | 1,836 | 586 |

The above table shows the capital spending plans of the Council in line with the medium term financial strategy approved on 13th February 2025

NARRATIVE STATEMENT (continued)**Risks**

The General Election in July 2024 led to a change in national government. The new government has set out a range of policy measures it plans to implement during the life of the new parliament, many of which will have an impact on the work of councils throughout the country. These policy changes will present both risks and opportunities, which are held under review by Officers and Members of the Council.

The most significant changes are set out in the December 2024 Devolution White Paper (English Devolution White Paper - GOV.UK). This provides for redistribution of current responsibilities in a number of key areas, away from the current role played by councils towards a larger role being played by Combined Authorities, particularly Mayoral Combined Authorities (examples of these new operating models can already be seen in, for example, the responsibilities of the Mayor of London and the Greater Manchester Combined Authority). The white paper also provides for reorganisation of areas currently managed by a combination of 'upper tier' (county) councils and 'lower tier' (district) councils, replacing them with a number of 'unitary' (single tier) councils. Areas affected include Derbyshire, Hertfordshire, and Essex. Reorganisation of councils across the county of Essex (including Maldon) will be a key area of activity in the coming year, as plans are developed to achieve this.

Key risks arising from devolution and reorganisation include increases in costs, and or decreases in service quality. Key opportunities include scope to rationalise overall costs at the same time as improving overall service quality. However, it is not yet clear if any cost savings can be achieved without detriment to the services provided to local people. The estimated costs and benefits of reorganisation will be part of this process, but are not yet known. No costs were incurred by the Council during FY 2024/25, and so no financial impact has arisen in these accounts. These questions, and others like them, will be worked through by Officers and Members in the coming months.

Other areas of national policy changes which will impact on this council include:

- Transport policy including public transport management
- Planning policy changes
- Housing policy changes
- Changes to the collection of domestic waste, in particular food waste

While this work continues, it will remain a priority for all affected councils to continue to deliver their responsibilities to local people. Locally, these priorities are set out for Maldon Council in our Corporate Plan, which will continue to guide our operational and financial priorities. However, a key risk is that reorganisation creates a distraction for staff and or councillors, to the detriment of local services, while a key opportunity is that the preparation for reorganisation brings to light service delivery benefits which can be adopted before reorganisation takes place.

All these areas of risk and opportunity will be regularly reviewed by Officers and Councillors through the coming year.

MDC is reviewing its current and future Reserves, and Revenue and Capital Budgets in order to address the remaining funding gap and steer the Council back towards sustainability.

The new government has not pre-announced any future financial settlement for 2025/26 and beyond, although they have indicated there may be a longer term settlement announcement. The Council remains in a good position to address this uncertainty in the short term via its sound financial management and planning, which has recently restructured its Corporate Leadership Team and appointed a Chief Executive to drive the Council towards the future, including signing a new 20 year leisure contract. The Council also has prudent levels of reserves needed for these times of uncertainty. However, the medium term remains challenging, so the Council will continue to closely monitor all new policy and funding announcements and building these into its future MTFS projections as appropriate.

Cost of Living Impact

The recent cost of living crisis caused by oil and gas and supply chain shortages created by world events has been followed by high inflation, although now past its peak, and high interest rates in a bid by the Bank of England to bring inflation under control. This put pressure on Council service budgets and also on business and household budgets across the district.

| Local Taxation | Budgeted Collection Rate 2024/25 | Actual Collection 2024/25 | Actual Collection 2023/24 |
|-----------------------|---|--------------------------------------|--------------------------------------|
| Council Tax | 98.0% | 97.9% | 98.0% |
| NNDR | 99.0% | 98.3% | 99.0% |

Council Tax and Business Rates collection rates both exceeded their budgets. Collection rates were similar during the past couple of years, although the cumulative cost of living on business and household budgets may only hit crisis in the next financial year after various reliefs come to an end.

NARRATIVE STATEMENT (continued)**Financial**

The General Fund balances at 31 March 2025 was reported as £8,636k. General Balances are not earmarked for any future expenditure. Therefore, this balance is available to cover any additional unexpected expenditure or losses in income that occur, although the minimum level for this reserve is set at £2.6m. The reserve is not forecast to drop below £2.6m in the short term.

However, there remains uncertainty around the ongoing cost of living and declining living standards. Reductions in Council Tax, Business Rates income and debt collection could occur in future years and put future pressure on the general fund balance. Although inflation rates have fallen to near-target rates, interest rates remain relatively high so still a challenge for residents and businesses and could further hamper income collection rates.

The Council managed its cashflows through prudent investments during the times of high inflation with the Bank of England Base Rate peaking at 5.25%. The Council retains the option to use the government's Debt Management Office should the risk associated with placing money with counterparties become too high. As a result of high interest rates, investment income has greatly exceeded its 2024/25 budget of £1,000k, achieving £1,338k (£1,642k in 2023/24). Interest rates continued to remain high throughout 2024/25 and beyond.

Opportunities

The Council is always looking at opportunities for joint working with other bodies, such as joint procurement of services or joint provision of a service.

Maldon District Council has started to explore commercial opportunities, with due regard to the relevant statutory guidance, in order to assist in meeting the budget gap in future years.

Performance Information

A new Corporate Plan covering the period 2025/2027 was updated and adopted by the Council in February 2025. The Plan sets the vision and corporate goals and provides strategic direction for the planning and delivery of the Council's work. For each priority, the Plan details the objectives the Council is striving to achieve.

Each year the Corporate Leadership Team (CLT), together with managers, identifies the key corporate activities through their Service Plans that will be taken forward to contribute to the achievement of the priorities and objectives. Targets for a number of key performance indicators are monitored corporately to manage performance and track the impact of the actions/provide evidence of achievements. Quarterly performance reports are submitted to the Performance, Governance and Audit Committee who monitor performance and progress.

The key corporate activities are detailed in the Service Plans for each Directorate. This plan is the cornerstone of the performance planning process and contains the aims and priorities for each Directorate. These are not submitted to Committee but facilitate effective performance and risk management within the Directorates, including the setting of individual objectives and completion of performance reviews, updates on the key corporate activities and the performance indicators are recorded by the responsible officers. These updates form the basis of the quarterly performance reports to CLT and the Performance, Governance and Audit Committee. Individual staff objectives flow from the key corporate and service activities and the performance reports submitted to the Committees are accessible via the website.

NARRATIVE STATEMENT (continued)

| Key Performance Indicator | 2023/24 | | 2024/25 | | 2025/26 |
|--|-----------|-----------|-----------|-----------|----------|
| | Target | Actual | Target | Actual | Target |
| Percentage of Council Tax collected | 97.30% | 98.00% | 98.01% | 97.91% | 97.91% |
| Percentage of Non-domestic Rates collected | 95.50% | 99.00% | 99.03% | 98.28% | 98.28% |
| Time taken to process Housing Benefit/Council Tax Support - new claims (days) | 16.5 Days | 16.0 Days | 16.0 Days | 14.5 Days | 16 Days |
| Time taken to process Housing Benefit/Council Tax Support – change of circumstances (days) | 8.5 Days | 4 Days | 8.5 Days | 3 Days | 8.5 Days |
| Percentage of major planning applications processed within 13 weeks | 80.00% | 94.00% | 60.00% | 81.00% | 80.00% |
| Percentage of minor planning applications processed within 8 weeks | 75.00% | 80.00% | 70.00% | 84.00% | 75.00% |
| Percentage of other planning applications processed within 8 weeks | 85.00% | 91.00% | 70.00% | 94.00% | 85.00% |
| Total Kilogrammes of household waste arising per household (annual) | 900kgs | 836kgs | 850kgs | 830kgs | 830kgs |
| Percentage of household waste sent for reuse, recycling and composting | 58.00% | 56.40% | 58% | 57.83% | 58% |
| Total Kilogrammes of residual household waste per household | 350kgs | 364kgs | 350kgs | 350kgs | 350kgs |
| Average number of working days lost due to sickness per FTE | 8.0 Days | 7.47 Days | 8.0 Days | 8.4 Days | 8.0 Days |

Other measures that are not wholly within the Council's control are also "tracked" during the year.

These are linked to the corporate goals and objectives. Monitoring the performance of these provides evidence of progress towards achieving our goals and outcomes.

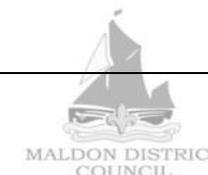
Further Information

Further information about the audited accounts is available from the Section 151 Officer, Maldon District Council, Princes Road, Maldon, Essex. CM9 5DL
Transparency information concerning the Council's spend with suppliers is detailed on the website (www.maldon.gov.uk).



Ben Jay
Director of Finance (S151)
Maldon District Council

26th February 2026
Date



SECTION – 2**STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS****The Council's Responsibilities**

The Council is required to:

- (i) make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Section 151 Officer;
- (ii) manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- (iii) approve the Statement of Accounts.

I certify that these accounts were considered and approved by the Committee at it's meeting held on 22nd January 2026.

On behalf of Maldon District Council



Councillor W Stamp

Chair of the Performance, Governance and Audit Committee

26th February 2026

Date

Director of Finance (S151) Responsibilities

- (i) selected suitable accounting policies and then applied them consistently;
- (ii) made judgements and estimates that were reasonable and prudent;
- (iii) complied with the local Council Code.

Certification of the Director of Finance (S151)

The Section 151 Officer has also:

- (i) kept proper accounting records which were up to date;
- (ii) taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that this audited Statement of Accounts presents a true and fair view of the financial position of the Council at 31 March 2025 and its income and expenditure for the year then ended.



Ben Jay

Director of Finance (S151)

Maldon District Council

26th February 2026

Date

SECTION – 3

PRIMARY STATEMENTS

| Core Financial Statements | Page Number |
|---|-------------|
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| • <i>Movement in Reserves Statement</i> | 18 |
| • <i>Balance Sheet</i> | 19 |
| • <i>Cash Flow Statement</i> | 20 |
| • <i>Notes To The Core Accounting Statements</i> | 23 |

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

| 2023/24 | | | | 2024/25 | | | Note |
|-------------------|-----------------|-----------------|---|----------------------|-----------------|-----------------|------|
| Gross Expenditure | Gross Income | Net Expenditure | | Gross Expenditure | Gross Income | Net Expenditure | |
| £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 | |
| 6,079 | (652) | 5,427 | | Strategy & Resources | 7,093 | (769) | |
| 25,571 | (17,781) | 7,790 | Service Delivery | 26,156 | (17,622) | 8,534 | |
| 31,650 | (18,433) | 13,217 | Cost of Services | 33,249 | (18,391) | 14,858 | |
| 1,673 | (119) | 1,554 | Other Operating Expenditure | 1,794 | (48) | 1,746 | 7e |
| 240 | (2,079) | (1,839) | Financing and Investment Income and Expenditure | 99 | (1,615) | (1,516) | 7f |
| - | (13,412) | (13,412) | Taxation and Non-Specific Grant Income | - | (16,452) | (16,452) | 7g |
| 33,563 | (34,043) | (480) | (Surplus)/deficit on provision of services | 35,142 | (36,506) | (1,364) | |
| | | (397) | (Surplus) or deficit on revaluation of Property, Plant and Equipment assets | | | (1,000) | 18 |
| | | 10,817 | Re-measurement of net defined liability for the pension fund | | | 388 | 30 |
| | | 10,420 | Other Comprehensive income and expenditure | | | (612) | |
| | | 9,940 | Total Comprehensive income and expenditure | | | (1,976) | |

MOVEMENT IN RESERVES STATEMENT

| | General Fund Balance | Earmarked General Fund Reserves | Capital Receipts Reserve | Capital Grants Unapplied | Total Usable Reserves | Total Unusable Reserves | Total Authority Reserves | |
|--|----------------------|---------------------------------|--------------------------|--------------------------|-----------------------|-------------------------|--------------------------|------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | Note |
| Balance at 31-March-2024 | (7,259) | (4,932) | (1,445) | (763) | (14,400) | (36,398) | (50,798) | |
| Movement in reserves during 2024/25 | | | | | | | | |
| Surplus or deficit on the provision of services | (1,364) | - | - | - | (1,364) | - | (1,364) | |
| Other Comprehensive Income / Expenditure | - | - | - | - | - | (612) | (612) | |
| Total Comprehensive Income and Expenditure | (1,364) | - | - | - | (1,364) | (612) | (1,976) | |
| Adjustments between accounting basis and funding basis under regulations | (1,828) | - | 453 | 110 | (1,265) | 1,265 | - | 8 |
| Net Increase or Decrease before Transfers to Earmarked Reserves | (3,192) | - | 453 | 110 | (2,629) | 653 | (1,976) | |
| Transfers to / from Earmarked Reserves | 1,637 | (1,637) | - | - | - | - | - | |
| Increase or Decrease in 2024/25 | (1,555) | (1,637) | 453 | 110 | (2,629) | 653 | (1,976) | |
| Balance at 31-March-2025 | (8,814) | (6,569) | (994) | (653) | (17,030) | (35,745) | (52,774) | |

| | General Fund Balance | Earmarked General Fund Reserves | Capital Receipts Reserve | Capital Grants Unapplied | Total Usable Reserves | Total Unusable Reserves | Total Authority Reserves | |
|--|----------------------|---------------------------------|--------------------------|--------------------------|-----------------------|-------------------------|--------------------------|------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | Note |
| Balance at 31-March-2023 | (7,696) | (4,948) | (1,520) | (581) | (14,745) | (45,993) | (60,738) | |
| Movement in reserves during 2023/24 | | | | | | | | |
| Surplus or deficit on the provision of services | (480) | - | - | - | (480) | - | (480) | |
| Other Comprehensive Income / Expenditure | - | - | - | - | - | 10,420 | 10,420 | |
| Total Comprehensive Income and Expenditure | (480) | - | - | - | (480) | 10,420 | 9,940 | |
| Adjustments between accounting basis and funding basis under regulations | 933 | - | 75 | (183) | 825 | (825) | - | 8 |
| Net Increase or Decrease before Transfers to Earmarked Reserves | 453 | - | 75 | (183) | 345 | 9,595 | 9,940 | |
| Transfers to / from Earmarked Reserves | (16) | 16 | - | - | - | - | - | |
| Increase or Decrease in 2023/24 | 437 | 16 | 75 | (183) | 345 | 9,595 | 9,940 | |
| Balance at 31-March-2024 | (7,259) | (4,932) | (1,445) | (764) | (14,400) | (36,398) | (50,798) | |

BALANCE SHEET

The **Balance Sheet** shows the value of the assets and liabilities held by the council. The council's net assets (assets less liabilities) are matched by the reserves it holds. These reserves are shown in two categories – usable and unusable. Usable reserves may be used to provide services subject to statutory limitations and the need to maintain prudent levels of reserves for financial stability. Unusable reserves cannot be used to fund council services.

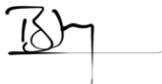
| 01-April-2023 | 31-March-2024* | | 31-March-2025 | Note |
|-----------------|-----------------|--------------------------------------|-----------------|------|
| £'000 | £'000 | | £'000 | |
| 28,516 | 28,355 | Land & Buildings | 29,356 | 10a |
| 1,356 | 1,172 | Vehicles Plant & Equipment** | 5,401 | 10a |
| 2,260 | 2,097 | Infrastructure | 2,218 | 10b |
| 624 | 624 | Community Assets | 826 | 10a |
| 3,957 | 3,819 | Investment Property | 3,721 | 11 |
| 95 | 95 | Heritage Assets | 95 | |
| 294 | 127 | Intangible Assets | 14 | |
| 4,531 | 4,430 | Long Term Investments | 4,513 | 12 |
| 24 | 24 | Long Term Debtors | 24 | |
| 8,179 | - | Asset related to Pension Scheme | - | |
| 49,836 | 40,743 | Total Long-term Assets | 46,168 | |
| 8,030 | - | Short Term Investments | - | |
| 5 | 4 | Inventories | 2 | |
| 2,727 | 4,459 | Short Term Debtors | 3,141 | 13 |
| 15,595 | 20,742 | Cash and Cash Equivalents | 14,663 | 14 |
| 26,357 | 25,204 | Current Assets | 17,806 | |
| (12,472) | (10,585) | Short-Term Creditors | (7,014) | 15 |
| (226) | (11) | Short Term Leases | (12) | 29 |
| (816) | (769) | Provisions | (940) | 16 |
| (13,514) | (11,365) | Current Liabilities | (7,966) | |
| (100) | (100) | Provisions | (100) | 16 |
| - | (1,581) | Pension Liabilities | (1,479) | 30 |
| - | (33) | Long Term Creditors | (20) | 12 |
| (1,841) | (2,070) | Grants Receipts in Advance - Capital | (1,632) | 33 |
| (1,941) | (3,784) | Long-term Liabilities | (3,231) | |
| 60,738 | 50,798 | Net Assets | 52,777 | |
| (14,745) | (14,400) | Total Usable Reserves | (17,031) | 17 |
| (45,993) | (36,398) | Total Unusable Reserves | (35,746) | 18 |
| (60,738) | (50,798) | Total Reserves | (52,777) | |

** This include Right of Use assets.

* Prior year adj see note 34

Certification by the Director of Finance (S151)

I certify that the statement of accounts gives a true and fair view of the financial position of the authority at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.



Ben Jay

Director of Finance (S151)

26th February 2026

CASH FLOW STATEMENT

The **Cash Flow Statement** shows the changes in cash and cash equivalents of the Council during the reporting period.

The Statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council.

Investing activities represent the extent to which cash flows have been made from resources which are intended to contribute to the Council's future service delivery.

Financing activities summarises cash flows from where we have offered or received loans or finance leases during the year.

| 31-March-2024* | | 2024/25 | |
|----------------|--|----------------|------|
| £'000 | | £'000 | Note |
| (480) | Net (surplus) or deficit on the provision of services | (1,364) | |
| 348 | Adjust to deficit on the provision of services for non-cash movements | 2,246 | 23 |
| 981 | Adjustments for items included in net deficit in the provision of services that are investing & financing activities | 2,522 | |
| 1,329 | Total adjustments to operating activities | 4,768 | |
| 849 | Net cash outflow/(inflow) from operating activities | 3,404 | |
| (9,006) | Investing Activities | 3,794 | 24 |
| 3,010 | Financing Activities | (1,119) | 25 |
| (5,147) | Net (increase) or decrease in cash and cash equivalents | 6,079 | |
| 15,595 | Cash and cash equivalents at the beginning of the reporting period | 20,742 | |
| 20,742 | Cash and cash equivalents at the end of the reporting period | 14,663 | |

* Prior year adjustment see note 34

SECTION – 3

NOTES TO THE CORE ACCOUNTING STATEMENTS

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SECTION – 3

NOTES TO THE CORE ACCOUNTING STATEMENTS

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Notes to the Core Accounting Statements

Note 1: Accounting Policies

a) General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31st March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices.

These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and the Service Reporting Code of Practice 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Going Concern

The Accounts are prepared on a going concern basis, i.e., on the assumption that the Council will continue to operate for the foreseeable future. Current cash levels and forecasts remain sound, and the Medium-Term Financial Strategy shows Council reserves to be sufficient for the foreseeable future.

b) Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from sale of goods is recognised when the authority transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the authority.
- Revenue from the provision of services is recognised when the authority can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- An exception to this policy is housing benefit transactions which are accounted for on a cash basis, that is, when the payment is made.
- Interest receivable on investments is accounted for respectively as income on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- In the case of periodic receipts and payments, where it does not materially affect the accounts and a full year's income and expenditure is recorded, an accrual does not need to be raised.

Notes to the Core Accounting Statements (continued)**Note 1: Accounting Policies (continued)****c) Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

d) Prior Period Adjustments

Prior period adjustments may arise as a result of a change in accounting policies or the correction of a material error in the accounts.

Changes in accounting policies are only made when required by proper accounting practices or where the change provides more reliable or relevant information about the effect of the transactions, or other events and conditions on the council's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Changes in accounting policy no longer need to be material to result in a Prior Period Adjustment.

Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Material errors discovered in prior period figures are corrected retrospectively, again by amending opening balances and comparative amounts for the prior period.

Exceptional Items

When items of income and expense are material, their nature and amount are disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

The Council had no Exceptional Items in 2024/25.

e) Collection Fund Income and Expenditure Account

The Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund is to isolate the income and expenditure relating to Council Tax and National Non-Domestic Business Rates.

Council Tax and Non-Domestic Rates

- Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e., the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.
- Collection Fund surpluses/deficits declared by the Billing Authority in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year. For Maldon District Council, the Council Tax precepting bodies are Essex County Council and Police and Crime Commissioner. For Maldon District Council, the NDR precepting bodies are Central Government (50% share) Maldon District Council (40% share) and Essex County Council (10% share).
- Maldon District Council participates in a Business Rates pool with Essex County Council to minimise the levy payment due and thereby maximise the retention of locally generated business rates.

Notes to the Core Accounting Statements (continued)**Note 1: Accounting Policies (continued)****Accounting for Council Tax and NDR**

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments, prepayments, and provision for appeals.

Council Tax Reduction Scheme

Prior to 2013/14 certain eligible taxpayers had some, or all, of their charge met by Council Tax Benefits. The amount of the benefit was credited to the Collection Fund and appeared as a charge in the billing authority's Central Services to the Public line in the Comprehensive Income and Expenditure Statement. From 2013/14 Council Tax Benefits has been replaced by a Council Tax Reduction Scheme which is applied directly to the Council Tax base.

f) Employee Benefits

- **Benefits Payable During Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave e.g., time off in lieu, flex-leave) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the service account, but then reversed out through the Movement in Reserves Statement so that holiday benefits accrual has no impact on Council Tax and holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

- **Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.



Notes to the Core Accounting Statements (continued)

Note 1: Accounting Policies (continued)

- **Post-Employment Benefits**

Employees of the Council are members of the Local Government Pension Scheme, administered by Essex County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government scheme is accounted for as a defined benefit scheme.

The pension fund liability or asset is calculated every three years by the fund's actuary, with annual updates in the intervening years. Methods and assumptions consistent with IAS19 are used in the calculations. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 30. The estimate of the asset or liability is therefore subject to significant variances based on changes to the assumptions used. When the balance is an asset it becomes subject to an asset ceiling. IAS 19 allows for an asset ceiling which is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The liabilities of the Essex County Council pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, inflation for the financial year, etc. and projections of projected earnings of current employees.

Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on a high-quality corporate bond. It's set using the yield curve determined by the Fund actuary.

The assets of the Essex County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value and include quoted securities at current bid price and property at market value.

The change in the net pension's liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non- Distributed Costs.
 - Net interest on the net defined benefit liability (asset) i.e., net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
 - Administration Expenses - Both accounting standards require the administration expenses to be recognised when the administration services are provided and to be reported as a separate item in the Profit and Loss (P&L) statement.
- Re-measurements comprising:
- The return on assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Actuarial gains and losses – changes in the net pension's liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
 - Asset ceiling - A restriction placed on the amount of accounting surplus which can be recognised.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Notes to the Core Accounting Statements (continued)**Note 1: Accounting Policies (continued)**

- **Discretionary Benefits**

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

- g) **Events after the Reporting Period**

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

- h) **Financial Instruments**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

- **Financial Assets**

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market; and
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

The Council has financial assets comprising of long-term and short-term investments, long-term debtors, short-term debtors (excluding statutory debts such as Council Tax, Non-Domestic Rates, precepts, etc.) and cash & cash equivalents. These are assets that have fixed or determinable payments but are not quoted in an active market. They are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Notes to the Core Accounting Statements (continued)**Note 1: Accounting Policies (continued)**

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

- **Available-for-Sale Assets**

The Council has available for sale financial assets in the form of a UK Gilt and short-term Certificates of Deposit. Available-for-sale assets are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g., dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Authority.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – independent appraisal of company valuations
- The inputs to the measurement techniques are categorised in accordance with the following three levels:
 - Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date
 - Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
 - Level 3 inputs – unobservable inputs for the asset

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

Notes to the Core Accounting Statements (continued)**Note 1: Accounting Policies (continued)****i) Government Grants and Contributions**

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve.

Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

j) Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g., software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service area in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

k) Interests in Companies and Other Entities

The Council has no material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures and require it to prepare group accounts.

l) Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

m) Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Notes to the Core Accounting Statements (continued)**Note 1: Accounting Policies (continued)****m) Investment Property (continued)**

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

n) Leases - Council as Lessee

From 1 April 2023, the Council has applied IFRS 16 Leases as adopted by the Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition. Previously this was only done for leases where the Council acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

Under IFRS 16, right-of-use assets held under leases are recognised on the Balance Sheet at the commencement of the lease, measured at cost based on the present value of the lease payments plus any payments made before the commencement date. Initial direct costs of the Council are added to the carrying amount of the asset. The asset recognised is matched by a liability for the obligation to make the lease payments (measured at their present value).

Lease payments are apportioned between:

- a charge for the acquisition of the right to use the property, plant or equipment which is applied to write down the lease liability, and
- a finance charge which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the general fund balance, by way of an adjusting transaction with the capital adjustment account in the movement in reserves statement for the difference between the two.

Where leases are for items of low value, amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

Notes to the Core Accounting Statements (continued)**Note 1: Accounting Policies (continued)****o) The Council as Lessor**

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

p) Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets attributable to the service

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are replaced by the contribution in the General Fund Balance Minimum Revenue Payment (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

q) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When applying the definition of fair value, non-financial assets and, non-current assets held for sale shall be measured at highest and best use.

r) Property, Plant & Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

- **Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

- **Measurement**

Assets are initially measured at cost, comprising:

- the purchase price.
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located if the cost is above the £10,000 de minimis threshold.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

- the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.



Notes to the Core Accounting Statements (continued)

Note 1: Accounting Policies (continued)

r) Property, Plant & Equipment (continued)

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – (depreciated) historical cost.
- other land and buildings and operational assets where there is an active market – Current value determined as the amount that would be paid for the asset in its existing use (EUV).
- operational assets where there is an active market Operational assets where there is no market-based evidence of current value because of the specialist nature of the asset and/or the asset is rarely sold (i.e., EUV cannot be determined), depreciated replacement cost (DRC) using the 'instant build' approach as an estimate of current value.
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- Fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. At Maldon District Council this applies to our sports centres.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at current value are revalued regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits taken to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

At Maldon District Council, all property valuations are carried out by the Valuation Office Agency. The bases of valuations are undertaken in accordance with the Statement of Asset Valuation Practice and Guidance Notes, published by the Royal Institute of Chartered Surveyors (RICS).

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

- **Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.



Notes to the Core Accounting Statements (continued)

Note 1: Accounting Policies (continued)

r) Property, Plant & Equipment (continued)

- **Depreciation**

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

- buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- vehicles, plant, furniture, and equipment – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer and/or Responsible Officer for that asset; and
- infrastructure – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer, and/or Responsible Officer and/or valuer for that asset.

Newly acquired assets and capital enhancements are depreciated from the year after acquisition unless the variation in change is considered material. In this respect only, the Council does not fully comply with the requirements of IAS16 Property, Plant & Equipment but this is not a material consideration for the Council.

Useful life of an asset is shown below for the relevant categories

- Infrastructure 10, 20 or 40 years
- Buildings 10 to 60 years
- Vehicles 5, 6 or 7 years
- Computer Equipment / systems 3, 5 or 10 years
- Other 3, 5 or 7 years

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. All assets with a gross value over £50,000 are considered for componentisation. If on consideration a component is assessed to be greater than 20% of the total cost of the asset, it is componentised, and the separate components depreciated using appropriate useful lives. Components that are individually less than 20% of the total cost of the asset are not treated as separate components for accounting purposes. They are valued and depreciated as part of the building structure.

The Council has a de minimis limit of £10,000 for capital expenditure purposes which results in the capitalisation of expenditure above that limit as an asset in the balance sheet. Items below this limit are charged to revenue.

The following five components have been identified:

- Land
- Structure of Building;
- Roof;
- Electrical & Mechanical (inc. Plant & Equipment); and Other / specialist.
- Other / specialist.

Each component is considered to depreciate on a straight line basis. The useful life of a component will vary according to the type of property in which it is located and the amount of use to which it is put. The useful life of a component will be determined by the valuer when a component part is identified.

Where a component is replaced or restored, the carrying amount of the old component shall be derecognised to avoid double counting and the new component reflected at the cost or new carrying value.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Notes to the Core Accounting Statements (continued)

Note 1: Accounting Policies (continued)

s) Infrastructure Assets

Infrastructure assets include Footways and cycle tracks, structures (e.g., bridges), street furniture and land which together form a single integrated network.

t) Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the authority and the cost of the item can be measured reliably.

u) Measurement

Infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April, which was deemed at that time to be historical cost. Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

v) Depreciation

Depreciation is provided on the parts of the infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis. Annual depreciation is the depreciation amount allocated each year.

Useful lives of the infrastructure assets are determined by using industry standards where applicable as follows:

| | Useful Life |
|---|---|
| Coastal Defences (Sea Wall) | Environment Agency Responsibility (Indefinite Lifetime) |
| Footways and Cycle Tracks | 25 Years |
| Street Furniture | Bus shelters 25 years and other assets 40 years |
| Water Supply and Drainage (Public Spaces) | 50 Years |

w) Disposals and derecognition

When an infrastructure asset is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the 'Other operating expenditure' line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal).

The written-off amounts of disposals are not a charge against council tax, as the cost of noncurrent assets is fully provided for under separate arrangements for capital financing.

Amounts are transferred to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement.

- Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Notes to the Core Accounting Statements (continued)**Note 1: Accounting Policies (continued)****w) Disposals and derecognition (continued)**

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale and are kept under their original category.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings and 50% for land, net of statutory deductions and allowances) are payable to the Government, under the Right to Buy scheme. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement. The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

x) Heritage Assets

- **Heritage Assets – Measurement and Valuation**

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant, and equipment. However, some of the measurement rules are relaxed in relation to heritage assets. These items are reported in the Balance Sheet at insurance valuation which is based on market values. These insurance valuations are updated on an annual basis.

There is an annual programme of valuations and items are valued by an external valuer. The assets within the art collection are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate insurance values and commercial markets using the most relevant and recent information from sales at auctions.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, for example, where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment. The trustees of the Council's Museum will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant, and equipment.

Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

y) Fair Value Measurement

The authority measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Core Accounting Statements (continued)**Note 1: Accounting Policies (continued)****y) Fair Value Measurement (continued)**

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

z) Minimum Revenue Provision

The Council is not required to use Council Tax to fund depreciation, revaluation and impairment losses or amortisation on non-current assets. However, it is required to make an annual contribution from revenue towards provision for the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent basis or as determined by the Council in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the Minimum Revenue Provision in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

aa) Provisions, Contingent Liabilities and Contingent Assets**Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g., from an insurance claim) this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement, and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

Notes to the Core Accounting Statements (continued)**Note 1: Accounting Policies (continued)****aa) Provisions, Contingent Liabilities and Contingent Assets (continued)****Revenue Expenditure Funded from Capital under Statute (REFCUS)**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

VAT

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income. The amount of VAT irrecoverable is negligible.

Notes to the Core Accounting Statements (continued)**Note 2: Accounting Standards Issued, Not Adopted****Indexation of Property, Plant and Equipment valuations**

From 1 April 2025, the Accounting Code will change the arrangements for the valuation of Property, Plant and Equipment. For 2024/25, there has been a general requirement that assets are revalued sufficiently regularly so that their carrying amount at 31 March does not differ materially from their current value at that date. This will be replaced by an option to revalue assets every five years, subject to annual reviews for impairment and the updating of carrying amounts by the application of relevant indices.

No adjustments to carrying amounts will be required at 1 April 2025. As indices for 2025/26 will not be available until after 31 March 2026, it is not possible to project what the impact of indexation will be.

Note 3: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

A critical judgement made in the Statement of Accounts is in relation to the high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

At the end of 2024/25 the Government had not pre-announced any financial settlement for future years, nor given any indication of future resource levels for local government via a Spending Review. This, coupled with an intended overhaul of the business rate retention scheme for funding and a review of funding allocations via the fair funding and the resources and needs review, means the levels of support from Government, in terms of funding, are very uncertain. The Council is in a good position to address this uncertainty via its sound financial management and planning, alongside prudent levels of reserves needed in times of uncertainty. The Council will be monitoring all announcements by Government with respect to its proposals and ensuring that the Council reply to all consultations to ensure the interests of the Council and our residents are strongly represented.

Notes to the Core Accounting Statements (continued)

Note 4: Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

| Item | Uncertainties | Effect if Actual Results Differ from Assumptions |
|---|---|--|
| Impairment of Property, Plant & Equipment & Intangible Assets | <p>The Council assesses the impairment of property, plant and equipment and intangible assets (excluding goodwill) whenever events or changes in circumstances indicate that the carrying value may not be recoverable or otherwise as required by accounting standards</p> <p>Factors that are considered important and which could trigger an impairment review include the following</p> <ul style="list-style-type: none"> • obsolescence or physical damage, • significant changes in technology and regulatory environments • significant underperformance relative to expected historical or projected future operating results, • significant changes in the use of its assets or the strategy of the overall business, • significant negative industry or economic trends, and • Significant decline in the market capitalisation relative to net book value for a sustained period. | <p>The identification of impairment indicators, the estimation of future cash flows and the determination of the recoverable amount for assets or cash generating units requires significant judgement which is determined by a qualified valuer.</p> |
| Pensions | <p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages and mortality rates. A firm of consulting actuaries, Barnett Waddingham, is engaged to provide expert advice regarding the assumptions applied in calculating the Council's net pension liability.</p> | <p>The effect on the net pension liability of changes in individual assumptions can be measured. For instance: A 0.5% increase in the discount rate assumption at 31 March 2025 would result in an increase in the Gross pension obligation, increasing this to £53,503 million.</p> <p>- a 1 year addition to the life expectancy assumption at 31 March 2025 would result in the Gross pension obligation increasing to £56,336 million.</p> <p>- price inflation based on CPI/RPI for FY24/25</p> |
| Provision for Business Rates Appeals | <p>At 31 March 2025, the Council has included in its accounts a provision for appeals on NDR rates of £0.826 million. However, appeals vary significantly in size and success rate, and therefore this may either be greatly insufficient or greatly overstated.</p> | <p>If the predicted success rate was to alter by just 10%, an additional £0.083 million would be required.</p> |

Note 5: Material Items of Income and Expense

No material items of income or expense have occurred that are not already disclosed on the face of the CIES. However, the ongoing effects of the Cost of Living crisis were felt by the Council in 2024/25. These are noted where relevant, and implications included in the Statement of Accounts.

Note 6: Events After the Balance Sheet Date

There have been no other events occurring after the reporting date that would have a material impact on these financial statements.

Notes to the Core Accounting Statements (continued)

Note 7a: Expenditure and Funding Analysis

The Expenditure and Funding Analysis is a note to the Financial Statements, however, it is positioned here as it provides a link from the figures reported in the Narrative by the Section 151 Officer to those in the Comprehensive Income and Expenditure Statement.

The objective of the Expenditure and Funding Analysis is to demonstrate to Council taxpayers how the funding available to the Council (i.e., government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in note 7c.

| 2023/24 | | | | 2024/25 | | |
|--|--------------|---|---|--|--------------|---|
| Net Expenditure Chargeable to the General Fund Balance | Adjustments | Net Expenditure in the Comprehensive Income and Expenditure Statement | | Net Expenditure Chargeable to the General Fund Balance | Adjustments | Net Expenditure in the Comprehensive Income and Expenditure Statement |
| £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 |
| 5,652 | (225) | 5,427 | Strategy & Resources | 5,841 | 483 | 6,324 |
| 6,161 | 1,629 | 7,790 | Service Delivery | 7,050 | 1,484 | 8,534 |
| 11,813 | 1,404 | 13,217 | Net Cost of Services | 12,891 | 1,967 | 14,858 |
| (11,360) | (2,337) | (13,697) | Other Income and Expenditure | (16,084) | (138) | (16,222) |
| 453 | (933) | (480) | (Surplus) or Deficit on Provision of Services | (3,192) | 1,829 | (1,364) |
| (12,644) | | | Opening Combined General Fund Balance | (12,191) | | |
| 453 | | | Plus / less (Surplus) or Deficit on the General Fund Balance for the Year (Statutory basis) | (3,192) | | |
| (12,191) | | | Closing Combined General Fund Balance | (15,383) | | |

Notes to the Core Accounting Statements (continued)

Note 7b: Note to the Expenditure and Funding Analysis

| 2023/24 | | | | | 2024/25 | | | |
|----------------------------------|---|-------------------|-------------------|--|----------------------------------|---|-------------------|-------------------|
| Adjustments for Capital Purposes | Net Change for the Pensions Adjustments | Other Differences | Total Adjustments | | Adjustments for Capital Purposes | Net Change for the Pensions Adjustments | Other Differences | Total Adjustments |
| £'000 | £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 | £'000 |
| 268 | (524) | 31 | (225) | Strategy & Resources | 683 | (140) | (60) | 483 |
| 1,725 | (96) | - | 1,629 | Service Delivery Directorate | 1,787 | (303) | - | 1,484 |
| | | | | | | | | - |
| 1,993 | (620) | 31 | 1,404 | Net Cost of Services | 2,470 | (443) | (60) | 1,967 |
| (1,061) | (437) | (839) | (2,337) | Other Income & Expenditure from the Funding Analysis | (2,156) | (47) | 2,065 | (138) |
| 932 | (1,057) | (808) | (933) | Difference between General Fund surplus or deficit and Comprehensive Income & Expenditure Statements surplus or deficit | 314 | (490) | 2,005 | 1,829 |

1. Adjustments for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the service line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The line is also credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

2. Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Council as allowed by state and the replacement with the current service costs and past service costs.
- For financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

3. Other Difference

This includes other differences between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable / receivable to be recognised under statute:

- The charge under Taxation and non-specific grant income and expenditure represents that difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.
- For financing and investment income and expenditure – the other non-statutory adjustments column recognises adjustments to service segments, e.g. for interest income and expenditure and changes in the fair values of investment properties.
- For taxation and non-specific grant income and expenditure – the other non-statutory adjustments column recognises adjustments to service segments, e.g. for un-ringfenced government grants.

Notes to the Core Accounting Statements (continued)

Note 7a: Note to the Expenditure and Funding Analysis (continued)

4. Other Non-Statutory Adjustments

Other non-statutory adjustments represent amounts debited / credited to service segments that need to be adjusted against the 'other income and expenditure from the expenditure and funding analysis' line to comply with the presentational requirements in the comprehensive income and expenditure statement:

- For financing and investment income and expenditure – the other non-statutory adjustments column recognises adjustments to service segments, e.g. for interest income and expenditure and changes in the fair values of investment properties.
- For taxation and non-specific grant income and expenditure – the other non-statutory adjustments column recognises adjustments to service segments, e.g. for un-ringfenced government grants.

Note 7c: Expenditure & Income Analysed by Nature

| 2023/24 | | 2024/25 |
|-----------------|---|-----------------|
| £'000 | | £'000 |
| | Expenditure | |
| 10,341 | Employee benefits expenses | 10,800 |
| 19,893 | Other services expenses | 21,121 |
| 1,416 | Depreciation, amortisation and impairment | 1,328 |
| 240 | Revaluation loss | 99 |
| 1,665 | Precepts and levies | 1,794 |
| 8 | Loss on the disposal of asset | |
| 33,563 | Total expenditure | 35,142 |
| | Income | |
| (7,617) | Fees, charges and other service income | (7,399) |
| (1,445) | Interest and investment income | (1,487) |
| (437) | Net interest on the net defined benefit liability | (44) |
| (11,356) | Income from council tax, non-domestic rates, district rate income | (12,774) |
| (197) | Revaluation Gain on long term Investment and Investment assets | (84) |
| (32) | Gain on the disposal of assets | (39) |
| (12,959) | Government grants and contributions | (14,679) |
| (34,043) | Total income | (36,506) |
| (480) | (Surplus) or Deficit on the Provision of Services | (1,364) |

Note 7d: Revenue from Contracts with Service Recipients

IFRS 15 is a standard drafted for the commercial entities, where the recognition of revenue is normally of paramount importance for the financial performance in the financial statements. Therefore the Council shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements and shall consider the concept of materiality set out in paragraph 2.7.1.1 of the Code for the users of local Council financial statements. A Council shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.

The objective of the disclosure requirements is for an Council to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with service recipients.

Paragraph 2.7.4.7 of the Code requires an indication of how the figures relate to segmental reporting. The Council considers the disclosure of Note 7A on expenditure and income analysed by nature provides sufficient information for readers regarding the nature of such revenues.

Note 7e: Other Operating Expenditure

| 2023/24 | | 2024/25 |
|--------------|-------------------------------------|--------------|
| £'000 | | £'000 |
| 1,665 | Parish & Town Precepts | 1,794 |
| (24) | Net gains/losses on disposal of PPE | (39) |
| (87) | Other Capital Receipts | (9) |
| 1,554 | Total | 1,746 |

Note 7f: Financing and Investment Income & Expenditure

| 2023/24 | | 2024/25 |
|----------------|---|----------------|
| £'000 | | £'000 |
| (1,445) | Interest on investments | (1,340) |
| 138 | Revaluation Gain on Investment Assets | 99 |
| (437) | Net interest on the net defined benefit liability | (44) |
| 102 | Revaluation of Long Term Investment | (84) |
| (197) | Rental Income from Investment Assets | (147) |
| (1,839) | Total | (1,516) |

Notes to the Core Accounting Statements (continued)

Note 7g: Taxation & Non-Specific Grant Income

| 2023/24 | | 2024/25 | |
|-----------------|---|-----------------|--|
| £'000 | | £'000 | |
| (7,509) | Council Tax Income | (7,947) | |
| (1,194) | Government Grants (not attributable to specific services) | (1,321) | |
| (3,847) | Non-Domestic Rates | (4,827) | |
| (862) | Capital Grants and Contributions | (2,357) | |
| (13,412) | Total | (16,452) | |

Note 8: Adjustments between Accounting Basis and Funding**Basis Under Regulations**

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The general fund is the statutory fund into which all the receipts of an Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the general fund balance, which is not necessarily in accordance with proper accounting practice. The general fund balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

Capital Receipts Reserve

The capital receipts reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The capital grants unapplied account (reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure.

The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Notes to the Core Accounting Statements (continued)

Note 8: Adjustments between Accounting Basis and Funding (continued)

| 2024/25 | Usable Reserves | | | Unusable Reserves | Corresponding Unusable Reserves |
|--|----------------------|---------------------------|--------------------------|-------------------|----------------------------------|
| | General Fund Balance | Capital Receipts Reserves | Capital Grants Unapplied | | |
| | £'000 | £'000 | £'000 | | |
| Adjustment to the Revenue Resources | | | | | |
| Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements: | | | | | |
| Amortisation of intangible fixed assets | (113) | - | - | 113 | Capital adjustment Account |
| Depreciation of non-current assets | (1,215) | - | - | 1,215 | Capital adjustment Account |
| Loss on Revaluation | - | - | - | - | Capital adjustment Account |
| Revaluation gain on non-current assets | 4 | - | - | (4) | Capital adjustment Account |
| Reversal of Capital Grants & Contributions Credited straight to services | 2,467 | - | - | (2,467) | Capital adjustment Account |
| Revenue expenditure funded from capital under statute | (1,145) | - | - | 1,145 | Capital adjustment Account |
| Reversal of NBV of non-current assets written off on disposal | (5) | - | - | 5 | Capital adjustment Account |
| Revaluation of investment assets | (99) | - | - | 99 | Capital adjustment Account |
| Transfer of Capital Contribution to Capital Grants Unapplied Account | (110) | - | 110 | - | Capital Grants Unapplied Account |
| Insertion of Items Not Debited or Credited to the Comprehensive Income & Expenditure Statement | | | | | |
| Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account) | (150) | - | - | 150 | Capital adjustment Account |
| Adjustments relating to the Capital Receipts Reserve | | | | | |
| Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve | 53 | (53) | - | - | |
| Capital receipts applied | - | 506 | - | (506) | Capital adjustment Account |
| Pension Adjustment | | | | | |
| Adjustments relating to the Pension Reserve | 490 | - | - | (490) | Pensions Reserve |
| Net charges made for retirement benefits in accordance with IAS19 | - | - | - | - | |
| Employer's contributions payable to the pension fund and retirement benefits payable direct to pensioners | - | - | - | - | |
| Adjustments Relating to the Collection Fund Adjustment Account | | | | | |
| Transfers to (from) Collection Fund Adjustment Accounts | (2,149) | - | - | 2,149 | Collection Fund Adj Account |
| Adjustments Relating to the Available for Sale Reserve | | | | | |
| Transfers to (from) Financial Instruments Revaluation Reserve | 84 | - | - | (84) | Financial Instru. Reval Reserve |
| Adjustments Relating to the Accumulated Absences Account | | | | | |
| Employee benefits accrued (prior year adjustment) | - | - | - | - | |
| Employee benefits accrued (current year adjustment) | 60 | - | - | (60) | Accumulated Absences Account |
| Total Adjustments Between Accounting Basis & Funding Basis Under Regulations | (1,828) | 453 | 110 | 1,265 | |

Notes to the Core Accounting Statements (continued)

Note 8: Adjustments between Accounting Basis and Funding (continued)

| 2023/24 | Usable Reserves | | | Unusable Reserves | Corresponding Unusable Reserves |
|--|----------------------|---------------------------|--------------------------|-------------------|---------------------------------|
| | General Fund Balance | Capital Receipts Reserves | Capital Grants Unapplied | | |
| | £'000 | £'000 | £'000 | | |
| Adjustment to the Revenue Resources | | | | | |
| Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements: | | | | | |
| Amortisation of intangible fixed assets | (167) | - | - | 167 | Capital adjustment Account |
| Depreciation of fixed assets | (1,249) | - | - | 1,249 | Capital adjustment Account |
| Loss on Revaluation | 64 | - | - | (64) | Capital adjustment Account |
| Revaluation gain on non-current assets | - | - | - | - | Capital adjustment Account |
| Reversal of capital grants & contributions credited straight to services | 679 | - | - | (679) | Capital adjustment Account |
| Revenue expenditure funded from capital under statute | (641) | - | - | 641 | Capital adjustment Account |
| Reversal of NBV of non-current assets written off on disposal | (8) | - | - | 8 | |
| Revaluation of investment assets | (138) | - | - | 138 | Capital adjustment Account |
| Net gain / loss on sale of fixed assets | 183 | - | (183) | - | |
| Insertion of Items Not Debited or Credited to the Comprehensive Income & Expenditure Statement | | | | | |
| Statutory provision for financing | 226 | - | - | (226) | Capital adjustment Account |
| Investment Assets Fair Value Gain | | | | | |
| Adjustments relating to the Capital Receipts Reserve | | | | | |
| Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve | 119 | (119) | - | - | |
| Capital receipts applied | - | 194 | - | (194) | Capital adjustment Account |
| Utilisation of Capital Grants Unapplied | | | | | |
| Pension Adjustment | | | | | |
| Adjustments relating to the Pension Reserve | 1,057 | - | - | (1,057) | Pensions Reserve |
| Net charges made for retirement benefits in accordance with IAS19 | - | - | - | - | |
| Employer's contributions payable to the pension fund and retirement benefits payable direct to pensioners | - | - | - | - | Capital Receipts Received |
| Adjustments Relating to the Collection Fund Adjustment Account | | | | | |
| Transfers to (from) Collection Fund Adjustment Accounts | 941 | - | - | (941) | Collection Fund Adj Account |
| Adjustments Relating to the Available for Sale Reserve | | | | | |
| Transfers to (from) Financial Instruments Revaluation Reserve | (102) | - | - | 102 | Financial Instru. Reval Reserve |
| Adjustments Relating to the Accumulated Absences Account | | | | | |
| Employee benefits accrued (prior year adjustment) | - | - | - | - | Accumulated Absences Account |
| Employee benefits accrued (current year adjustment) | (31) | - | - | 31 | Accumulated Absences Account |
| Total Adjustments Between Accounting Basis & Funding Basis Under Regulations | 933 | 75 | (183) | (825) | |

Notes to the Core Accounting Statements (continued)

Note 9a: Transfers to/from Earmarked Reserves

The following table details the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from the earmarked reserve to meet General Fund expenditure during 2024/25

| Balances as at 31-March-2025 | 31-March-2024 (as previously stated) | | | | 31-March-2025 | | |
|---|--------------------------------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| | Balance | Transfers Out | Transfers (In) | Balance | Transfers Out | Transfers (In) | Total |
| | 01-April-2023 | 2023/24 | 2023/24 | 31-March-2024 | 2024/25 | 2024/25 | 31-March-2025 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Business Continuity | (10) | - | - | (10) | 10 | - | - |
| Community grants | (1) | - | - | (1) | 1 | - | - |
| Community Housing Fund Grant | (116) | 13 | - | (104) | 11 | - | (93) |
| Community Infrastructure Levy & LDP review | (830) | 368 | (212) | (674) | 168 | - | (506) |
| Community Safety | (78) | - | - | (78) | 3 | - | (75) |
| Community Sports Network/Health & Wellbeing | (41) | 26 | - | (15) | 15 | - | - |
| Council Tax and Business Rates equalisation | - | - | (261) | (260) | - | (2,671) | (2,931) |
| Domestic Abuse Support reserve | - | - | (84) | (84) | - | - | (84) |
| Economic Development | (47) | 9 | - | (38) | 8 | - | (30) |
| Electoral Registration | (102) | - | (19) | (121) | - | - | (121) |
| FDO external funding from Plume | (1) | - | - | (1) | 1 | - | - |
| Feasibility Study reserve | (74) | 57 | - | (18) | 18 | - | - |
| Heritage projects | (8) | - | - | (8) | - | - | (8) |
| HMLR Project reserve | - | - | (153) | (153) | 153 | - | - |
| Homeless reduction Act Grant | (57) | - | - | (57) | - | - | (57) |
| Insurance liability | (51) | - | - | (51) | - | - | (51) |
| Neighbourhood Plan Applications | (29) | - | - | (29) | - | - | (29) |
| Income & Expenditure Budget Equalisation | (49) | - | (197) | (246) | 246 | - | - |
| Repairs & renewals fund | (222) | 57 | - | (165) | 3 | - | (162) |
| Revenue commitments | (1,183) | 1,341 | (816) | (659) | 658 | (132) | (133) |
| Revenues & Benefits Staffing reserve | - | - | (468) | (468) | - | - | (468) |
| Sports Development | (30) | - | - | (31) | - | - | (31) |
| Corporate Delivery Reserve | (128) | - | - | (127) | 3 | - | (124) |
| Transformation | (835) | 40 | - | (795) | 360 | (492) | (927) |
| Waste Contract Implementation | (15) | - | - | (15) | 15 | - | - |
| Triennial Pensions Payment | (1,040) | 315 | - | (725) | 605 | (120) | (240) |
| Local Government Reorganisation | - | - | - | - | - | (500) | (500) |
| Total Specific Reserves | (4,947) | 2,226 | (2,210) | (4,932) | 2,278 | (3,915) | (6,569) |
| General Fund balance | (7,696) | 437 | - | (7,259) | - | (1,555) | (8,814) |
| Total Revenue Reserves | (12,643) | 2,663 | (2,210) | (12,191) | 2,278 | (5,470) | (15,383) |

Notes to the Core Accounting Statements (continued)**Note 9b: Transfers to/from Earmarked Reserves**

Business Continuity – to provide funding for emergency requirements such as salt, sand bags or other business continuity requirements.

Community Grants – the time limits on these grants exceed the financial year in which the budget provision was made, necessitating a reserve to cover the outstanding liabilities.

Community Housing Fund Grant – reserve to support community led housing delivery. Objective is to help deliver affordable housing aimed at first time buyers in response to the problem second homes can cause in reducing supply.

Community Infrastructure Levy & LDP Review – following the adoption of the Local Development Plan, this reserve will now fund the work to enable implementation of the CIL, and also to meet the regulations to ensure that the LDP is reviewed regularly.

Community Safety – reserve set aside to fund community safety activities.

Community Sports Network / Health & Wellbeing – a grant was received from the government in 2011/12 to support sports networks; this is being utilised year by year as necessary.

Council Tax & Business Rates Equalisation – this reserve is to counter the timing differences seen in business rates funding.

Economic Development – reserve set aside to support economic development activities in the District.

Electoral Registration – reserve set aside to support electoral works.

Feasibility Study Reserve – Monies to be utilised in the one off costs incurred during a commercial projects feasibility assessment. The scale of the project will quantify what level of feasibility and/or viability assessments are required to enable robust council decision making and risk management

Heritage Projects: Environmental Imps – the Council gives grants in support of environmental initiatives and historic buildings. The time limits on these grants exceed the financial year in which budget provision is made, necessitating a reserve to cover outstanding liabilities.

Homeless Reduction Act Grant – reserve set up to use three years of grant funding for Homelessness Reduction Officer.

Insurance Liability – the Council maintains external insurance policies to cover major risks. In many cases the policies have excess clauses that require the Council to meet the first part of each claim. The Council has established this reserve to cover its liabilities under policy excesses and finance any claims for small risks not insured externally.

Local Government Reorganisation - LGR and other related costs

Neighbourhood Plan Applications – funding to be utilised in supporting the preparation of neighbourhood plans.

Notes to the Core Accounting Statements (continued)**Note 9b: Transfers to/from Earmarked Reserves (continued)**

Pensions Reserve – to provide a reserve to enable the Council to forward fund the pension deficit.

Repairs & Renewals Fund – to provide funds to support additional revenue / capital costs arising from the need to maintain the Council's asset base.

Revenue Commitments – this reserve exists to smooth out the timing differences between monies being earmarked to expenditure from the Annual Revenue Budget and the expenditure actually occurring.

Sports Development - reserve set aside to fund sports development activities.

FDO External Funding from the Plume – specific external funding towards the post of Football Development Officer.

Strategic Priorities Reserve – The Council had some surplus funds after the Bradwell Power Station project was put on hold earlier this year. Corporate Leadership Team decided to put these funds in a reserve to fund projects towards delivering its strategic priorities.

Transformation – to provide funds to meet the one-off investment costs of efficiency savings or service reductions to be realised in future years. Also to enable the upfront costs of potential income generating projects.

Waste Contract Implementation – contributions towards the procurement and mobilisation of the new Waste Contract.

Notes to the Core Accounting Statements (continued)

Note 10: Property, Plant and Equipment

Note 10A: Property, Plant and Equipment

| Movements to 31-March-2025 | Land and Buildings | Vehicles, plant and equipment | Right of use assets | Community assets | Assets under construction | Total |
|--|--------------------|-------------------------------|---------------------|------------------|---------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost or Valuation at 01-April-2024 | 28,984 | 5,883 | 1,897 | 624 | 12 | 37,400 |
| Additions | 689 | 4,613 | | 202 | (12) | 5,492 |
| Disposals | - | (63) | - | - | - | (63) |
| Reclassifications | - | (5) | - | - | - | (5) |
| Revaluation increases recognised in the revaluation reserve | 949 | - | - | - | - | 949 |
| Revaluation decreases recognised in the revaluation reserve | (569) | - | - | - | - | (569) |
| Revaluation increases recognised in the surplus/deficit on the provision of services | 80 | - | - | - | - | 80 |
| Revaluation decreases recognised in the surplus/deficit on the provision of services | (125) | - | - | - | - | (125) |
| At 31-March-2025 | 30,008 | 10,428 | 1,897 | 826 | - | 43,159 |
| Accumulated Depreciation and Impairment at 01-April-2024 | (641) | (4,982) | (1,621) | - | - | (7,244) |
| Depreciation for year | (680) | (169) | (210) | - | - | (1,060) |
| Depreciation on disposals | | 58 | | - | - | 58 |
| Restatement of Depreciation upon Revaluation Upward to Revaluation Reserve | 603 | - | - | - | - | 603 |
| Restatement of Depreciation upon Revaluation Upward to I&E | 27 | - | - | - | - | 27 |
| Restatement of Depreciation upon Revaluation Downward to Revaluation Reserve | 17 | - | - | - | - | 17 |
| Restatement of Depreciation upon Revaluation Downward to I&E | 23 | - | - | - | - | 23 |
| At 31-March-2025 | (652) | (5,093) | (1,831) | - | - | (7,576) |
| Net Book Value | | | | | | |
| At 31-March-2025 | 29,356 | 5,335 | 66 | 826 | - | 35,582 |
| At 31-March-2024 | 28,355 | 907 | 265 | 624 | | 30,151 |

Notes to the Core Accounting Statements (continued)

Note 10a: Property, Plant and Equipment (continued)

| Movements to 31-March-2024 | Land and Buildings | Vehicles, plant and equipment | Right of use assets | Community assets | Assets under construction | Total |
|--|--------------------|-------------------------------|---------------------|------------------|---------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost or Valuation at 01-April-2023 | 29,043 | 5,752 | 1,810 | 624 | - | 37,229 |
| Additions | 38 | 162 | 87 | - | - | 287 |
| Disposals | - | (7) | - | - | - | (7) |
| Reclassifications from Infrastructure | - | - | - | - | - | - |
| Revaluation increases recognised in the revaluation reserve | 424 | - | - | - | - | 424 |
| Revaluation decreases recognised in the revaluation reserve | (531) | - | - | - | - | (531) |
| Revaluation increases recognised in the surplus/deficit on the provision of services | 29 | - | - | - | - | 29 |
| Revaluation decreases recognised in the surplus/deficit on the provision of services | (7) | - | - | - | - | (7) |
| At 31-March-2024 | 28,996 | 5,907 | 1,897 | 624 | - | 37,424 |
| Accumulated Depreciation and Impairment at 01-April-2023 | (527) | (4,763) | (1,443) | - | - | (6,733) |
| Reclassification of Depreciation from Infrastructure | (660) | (237) | (189) | - | - | (1,086) |
| Depreciation for year | - | - | - | - | - | - |
| Depreciation on disposals | - | - | - | - | - | - |
| Restatement of Depreciation upon Revaluation Upward to Revaluation Reserve | 442 | - | - | - | - | 442 |
| Restatement of Depreciation upon Revaluation Downward to Revaluation Reserve | 62 | - | - | - | - | 62 |
| Restatement of Depreciation upon Revaluation Upward to I&E | 41 | - | - | - | - | 41 |
| Restatement of Depreciation upon Revaluation Downward to Revaluation Reserve | 1 | - | - | - | - | 1 |
| At 31-March-2024 | (641) | (5,000) | (1,632) | - | - | (7,273) |
| Net Book Value | | | | | | |
| At 31-March 2024 | 28,355 | 907 | 265 | 624 | - | 30,151 |
| At 31 March 2023 | 28,516 | 989 | 367 | 624 | - | 30,496 |

Notes to the Core Accounting Statements (continued)

Note 10: Property, Plant and Equipment (continued)

Note 10b: Infrastructure Assets

| 2023/24 | Description | 2024/25 |
|--------------|--|--------------|
| £'000 | | £'000 |
| 2,260 | Net book value (modified historical cost) at 1 April | 2,097 |
| - | Additions | 276 |
| (163) | Depreciation | (155) |
| 2,097 | Net book value at 31 March | 2,218 |

Note 10c: Capital Commitments

At 31 March 2025 the Council has the following outstanding contracts for the construction or enhancement of Property, Plant and Equipment.

| 2023/24 | Description | 2024/25 |
|---------|--|------------|
| £'000 | | £'000 |
| - | Prom park - Amphitheatre Strengthening works | 18 |
| - | Scout hut Brickhouse farm flooring works | 26 |
| - | Riverside Park - skate park and equipment | 186 |
| - | Skate Park Prom park | 617 |
| - | Total | 847 |

Notes to the Core Accounting Statements (continued)

Note 10: Property, Plant and Equipment (continued)

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years with the remainder indexed where possible. Valuation office undertook valuations on behalf of the Council in 2024/25 for operational property and investment property. The valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on cost prices.

Note 10d Property, Plant and Equipment Revaluations

| Balances as at 31-March-2025 | Other land and buildings | Vehicles, plant and equipment | Infrastructure assets | Community assets | Total |
|--------------------------------|--------------------------|-------------------------------|-----------------------|------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Carried at historical cost | | 5,401 | 2,217 | 826 | 8,444 |
| Valued at current value as at: | | | | | |
| 31-Mar-25 | 20,680 | - | - | - | 20,680 |
| 31-Mar-24 | 2,430 | - | - | - | 2,430 |
| 31-Mar-23 | 1,047 | - | - | - | 1,047 |
| 31-Mar-22 | 2,600 | - | - | - | 2,600 |
| 31-Mar-21 | 2,600 | - | - | - | 2,600 |
| Total cost or valuation | 29,357 | 5,401 | 2,217 | 826 | 37,799 |

Non-operational property, plant and equipment (surplus assets)

The Council does not have material surplus assets.

Notes to the Core Accounting Statements (continued)

Note 11: Investment Properties

The following items of income and expense have been accounted for in the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

| 2023/24 | Investment Property Income and Expenditure | 2024/25 |
|--------------|--|--------------|
| £'000 | | £'000 |
| (197) | Rental income from investment property | (147) |
| (197) | Net (gain)/loss | (147) |

The Council's ability to realise the values inherent in investment property are restricted by tenants security under the Landlords and Tenant Act 1954 and long lease terms with commercial tenants. The Council also has obligations to maintain the fabric of the buildings along with road ways and drainage on two investment properties.

All investment properties are subject to operating leases and rental income is received as above.

The value of a leased investment is determined based on the Fair Value which is reviewed each year.

The following table summarises the fair value of investment properties over the year:

Movement in the fair value of investment properties over the year:

| 2023/24 | Investment Property Movements in Year | 2024/25 |
|--------------|--|--------------|
| £'000 | | £'000 |
| 3,957 | Balance at start of year | 3,819 |
| (138) | Net gains/losses from fair value adjustments | (98) |
| - | Reclassification of Assets | - |
| 3,819 | Balance at the end of the year | 3,721 |

Notes to the Core Accounting Statements (continued)

Note 11: Investment Properties (continued)

Details of the authority's investment properties and information about the fair value hierarchy as at 31 March 2025 are as follows:

Fair value measurement

The fair value for the commercial properties (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local Council area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

Fair values are measured annually at each reporting date. The valuations were carried out by a Senior Surveyor being an RICS Registered Valuer employed by DVS East, Property Specialists for the Public Sector, a commercial arm of the Valuation Office Agency.

Fair value hierarchy

Details of the Council's investment properties and information about the fair value hierarchy as at 31 March 2025 and 2024 are as follows:

Fair value as at 31-March-2025

| Recurring fair value measuring usage: | Other significant observable inputs (Level 2) | Fair value as at 31-March-2025 |
|---------------------------------------|---|--------------------------------|
| | £'000 | £'000 |
| Commercial Units | 3,721 | 3,721 |
| | 3,721 | 3,721 |

Fair value as at 31-March-2024

| Recurring fair value measuring usage: | Other significant observable inputs (Level 2) | Fair value as at 31-March-2024 |
|---------------------------------------|---|--------------------------------|
| | £'000 | £'000 |
| Commercial Units | 3,819 | 3,819 |
| | 3,819 | 3,819 |

Notes to the Core Accounting Statements (continued)**Note 11: Investment Properties (continued)****Transfers between Levels of the Fair Value Hierarchy**

There were no transfers between Levels during the year.

Valuation Techniques used to Determine Level 2 Fair Values for Investment Properties**Significant Observable Inputs – Level 2**

The fair value for the commercial units located in the local Council area (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local Council area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Highest and Best Use of Investment Properties

In estimating the fair value of the authority's investment properties, the highest and best use of the properties is their current use.

Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties.

Reconciliation of fair value measurements

There has been no transfer between levels of the fair value hierarchy during the year.

Gains or losses

Gains or losses arising from changes in the fair value of the investment property are recognised in the surplus or deficit on the provision of services – financing and investment income and expenditure line

Valuation Process for Investment Properties

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out by an external independent valuer - Valuation Office Agency, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

Note 12: Financial Instruments

Where an instrument will mature within the next 12 months the carrying amount is assumed to be approximate to fair value.

For all other financial assets and liabilities the carrying amount is considered to be an appropriate measure of fair value.

Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Notes to the Core Accounting Statements (continued)**Financial Liabilities**

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that are potentially unfavourable to the Council.

The Council's non-derivative financial liabilities held during the year are measured at amortised cost and comprised:

- trade payables for goods and services received
- finance leases

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash or equity and other instruments or a contractual right to receive cash or another financial asset or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are held under the following classifications.

Amortised cost where cash flows are solely payments of principal and interest and the Councils strategy is to collect those cash flows comprising:

Loans and receivables (financial assets that have fixed or determinable payments and are not quoted in an active market) comprising:

- cash in hand
- bank current and deposit accounts with NatWest bank
- fixed term deposits with banks
- loans to divested organisations
- trade receivables for goods and services delivered

Fair value through profit and loss (all other financial assets) comprising

- money market funds managed by fund managers
- certificates of deposit and covered bonds issued by banks and building societies
- pooled property funds managed by CCLA fund managers

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

Notes to the Core Accounting Statements (continued)

Note 12: Financial Instruments (continued)

(a) Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

| 2023/24 | | | Financial Assets | 2024/25 | | |
|--------------|---------------|---------------|---|--------------|---------------|---------------|
| Non-Current | Current | Total | | Non-Current | Current | Total |
| £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 |
| | | | Investments, Cash and Cash Equivalents | | | |
| 4,430 | 20,742 | 25,172 | Financial Assets at Amortised Cost | 4,513 | 14,653 | 19,166 |
| | | | ST Investments | | | |
| 4,430 | 20,742 | 25,172 | Total Investments | 4,513 | 14,653 | 19,166 |
| | | | Debtors | | | |
| - | 1,611 | 1,611 | Financial Assets at Amortised Cost | - | 1,162 | 1,162 |
| 24 | - | 24 | Loans and Receivables at Amortised Cost | 24 | - | 24 |
| 24 | 1,611 | 1,635 | Total Debtors | 24 | 1,162 | 1,186 |

| 2023/24 | | | Financial Liabilities | 2024/25 | | |
|-------------|--------------|--------------|---|-------------|--------------|--------------|
| Non-Current | Current | Total | | Non-Current | Current | Total |
| £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 |
| | | | Creditors | | | |
| 33 | 1,869 | 1,902 | Financial Liabilities at Amortised Cost | 20 | 2,259 | 2,279 |
| 33 | 1,869 | 1,902 | Total Creditors | 20 | 2,259 | 2,279 |

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and its intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Council had no other financial assets or liabilities subject to an enforceable master netting arrangement or similar agreement.

Notes to the Core Accounting Statements (continued)

Note 12: Financial Instruments (continued)

(b) Financial Instruments – Gains & Losses

The income & expenditure recognised in the surplus or deficit on the provision of services in relation to financial instruments consists of the following items:

| 2023/24 | | | 2024/25 | |
|---|-------------------------------|--|---|--|
| Financial Assets Measured at Amortised Cost | | | Financial Assets Measured at Amortised Cost | |
| £'000 | | | £'000 | |
| 1,445 | Interest Revenue | | 1,340 | |
| 1,445 | Total Interest Revenue | | 1,340 | |

The fair values of financial assets and financial liabilities that are not measured at fair value (but for which fair value disclosures are required)

Except for the financial assets carried at fair value disclosed elsewhere in the Statement of Accounts, all other financial liabilities and financial assets held by the Council are carried in the balance sheet at amortised cost. The fair values calculated are as follows:

The fair value of the financial assets is lower than the carrying amount because the Council's portfolio of investments includes a number of fixed rate loans where the interest rate receivable is lower than the rates available for similar loans at the balance sheet date.

This shows a notional future loss (based on economic conditions at 31 March 2025) attributable to the commitment to receive interest below current market rates.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

| 2023/24 | | Financial Liabilities held at Amortised Cost | 2024/25 | |
|-----------------|--------------|--|-----------------|--------------|
| Carrying Amount | Fair Value | | Carrying Amount | Fair Value |
| £'000 | £'000 | | £'000 | £'000 |
| 33 | 33 | Long Term Creditors – Embedded Leases | 20 | 20 |
| 1,869 | 1,869 | Short Term Creditors | 2,259 | 2,259 |
| 1,902 | 1,902 | Total | 2,279 | 2,279 |

| 31-March-2024* | | Financial Assets held at Amortised Cost | 2024/25 | |
|-----------------|---------------|---|-----------------|---------------|
| Carrying Amount | Fair Value | | Carrying Amount | Fair Value |
| £'000 | £'000 | | £'000 | £'000 |
| 4,430 | 4,430 | Long-term Investments | 4,512 | 4,512 |
| 24 | 24 | Long-term Debtors | 24 | 24 |
| 1,611 | 1,611 | Short-term Debtors | 1,162 | 1,162 |
| 20,742 | 20,742 | Cash & Cash Equivalents | 14,663 | 14,663 |
| 26,807 | 26,807 | Total | 20,361 | 20,361 |

* Prior year adjustment see note 34

Notes to the Core Accounting Statements (continued)

Note 12: Financial Instruments (continued)

(c) Financial Instruments – Fair Values and Carry Amounts

Financial assets classified as loans and receivables and all non-derivative financial liabilities are carried in the Balance sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2025, using the following methods and assumptions:

- The fair value of long term loans and investments would have been discounted at the market rates for similar instruments with similar remaining terms to maturity.
- No early repayment or impairment is recognised for any financial instrument.
- Where an instrument will mature in the next 12 months, the carry amount is assumed to be fair value.
- Finance lease liabilities are measured at their present value discounted using the interest rate implicit within the lease agreement.
- The fair value of short term instruments, including trade payables and receivables is assumed to approximate to the carrying value (the invoiced or billed amount)

| 2023/24 | | | | Financial Assets | 2024/25 | |
|-----------------|---------------|----------------------------|-----------------------|------------------------|-----------------|---------------|
| Carrying Amount | Fair Value | Carrying Amount Reinstated | Fair Value Reinstated | | Carrying Amount | Fair Value |
| £'000 | £'000 | | | | £'000 | £'000 |
| 4,430 | 4,430 | | | Long Term Investments | 4,512 | 4,512 |
| - | - | | | Available for Sale | - | - |
| 19,500 | 19,775 | | | Short-term Investments | 12,000 | 12,295 |
| 23,930 | 24,205 | - | - | Total | 16,512 | 16,807 |

(d) Nature and Extent of Risks arising from Financial Instruments

The Council has adopted CIPFA's Code of Practice on Treasury Management and complies with The Prudential Code of Capital Finance for Local Authorities.

As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the Government's Investment Guidance to local authorities. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The Council's activities in financial instruments expose it to a variety of risks:

- Credit Risk: The possibility that one party to a financial instrument will fail to meet their contractual obligations, causing a loss to the other party.
- Liquidity Risk: The possibility that a party will be unable to raise funds to meet the commitments associated with Financial Instruments.
- Market Risk: The possibility that the value of an instrument will fluctuate because of changes in interest rates, market prices etc.

The Council's overall risk management procedures focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on resources available to fund services. Risk Management is carried out by the exchequer team under the direction of the Director of Resources



Notes to the Core Accounting Statements (continued)

Note 12: Financial Instruments (continued)

Credit Risk: Investments

The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long term credit rating of A-, UK government, other Local authorities and organisations without credit ratings upon which the Council has received independent investment advice

The table below summarises the fair value of the Council's investment portfolio at the end of each financial year:

| As at 31-March-2024 | | | | As at 31-March-2025 | | |
|---------------------|--------------------|----------------------------|----------------------------------|---------------------|--------------------|----------------------------|
| Credit Rating | Short Term Balance | Long Term Balance Invested | | Credit Rating | Short Term Balance | Long Term Balance Invested |
| | £'000 | £'000 | | | £'000 | £'000 |
| | | | Long Term Investments | | | |
| Unrated | - | 1,870 | Local Authorities Property Fund | Unrated | | 1,748 |
| Unrated | - | 2,560 | Investec Diversified Income Fund | Unrated | | 2,764 |
| | | | Short Term Investments | | | |
| Unrated | 2,036 | - | Wirral Council | Unrated | - | - |
| Unrated | 2,036 | - | Cheshire East Council | Unrated | - | - |
| Unrated | 2,036 | - | Telford and Wrekin Council | Unrated | - | - |
| AAA | 4,520 | - | Deutsche Money Market Fund | AAA | 5,010 | - |
| AAA | - | - | Goldman Sachs MMF | AAA | 4 | - |
| AAA | 5,022 | - | Federated Money Market Fund | AAA | 3,015 | - |
| | | | Building Society | | | |
| A- | 2,026 | - | Nationwide | A | 2,022 | - |
| | | | Banks | | | |
| A- | 2,099 | - | Barclays | A+ | 2,244 | - |
| | 19,775 | 4,430 | Total Investments | | 12,295 | 4,512 |

Notes to the Core Accounting Statements (continued)**Note 12: Financial Instruments (continued)**

A limit of £2m is placed on the amount of money that can be invested with a single counterparty (other than the UK government or Money Market Funds) The Council also sets limits on investments in certain sectors. No more than £5m in total can be invested for a period longer than one year.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies of £2m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of recoverability applies to all of the Councils deposits, but there was no evidence at the 31 March 2025 that this was likely to crystallise.

The table below summarises the credit risk exposure of the Council's investment portfolio by credit rating.

| 2023/24 | | Credit Rating | 2024/25 | |
|---------------|--------------|--------------------------|---------------|--------------|
| Short Term | Long Term | | Short Term | Long Term |
| £'000 | £'000 | | £'000 | £'000 |
| 4,125 | - | A- | - | - |
| - | - | A | 2,022 | - |
| - | - | A+ | 2,244 | - |
| 9,542 | - | AAA | 8,029 | - |
| 6,108 | 4,430 | Unrated Funds | - | 4,512 |
| 19,775 | 4,430 | Total Investments | 12,295 | 4,512 |

The Council has no historical experience of counterparty default.

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

Liquidity

Liquidity risk is managed by cash flow forecasting of the current financial year, combined with limits on fixed investments for periods of more than a year and an authorised borrowing limit for unforeseen emergencies. Both are specified annually in accordance with the prudential indicator requirements.

The Council does not currently have any borrowing, but should it be needed can access funds from the Public Works Loan Board (PWLB). There is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

Market Risk**(1) Interest Rate Risk:**

The Council is exposed to risk in terms of its exposure to investment interest rate movements. Most investments are made for fixed periods and therefore changes in market rates during the investment period can lead to the fair value of an investment being higher or lower than its carrying value. Investment decisions through Treasury Management activity seek to manage this risk as much as possible by taking a view on investment interest rate trends. Investment deposits are committed only for short term thus minimising this risk.



Notes to the Core Accounting Statements (continued)**Note 12: Financial Instruments (continued)**

(2) Price Risk:

The Council does not invest in equity shares or gilts and therefore is not subject to any price risk (i.e., the risk that the Council will suffer loss as a result of adverse movements in the price of financial instruments).

(3) Foreign Exchange Risk:

The Council has no financial asset or liabilities denominated in a foreign currency. It therefore has no exposure to loss arising as a result of adverse movements in exchange rates.

Notes to the Core Accounting Statements (continued)

Note 13: Debtors

An analysis of the debtors balance is shown below

| 2023/24 | | 31-March-2025 |
|--------------|--|---------------|
| £'000 | | £'000 |
| 4,216 | Trade Receivables | 2,950 |
| 684 | Prepayments | 408 |
| 589 | Other receivable amounts | 964 |
| (1,030) | Impairment Allowance | (1,181) |
| 4,459 | Total | 3,141 |
| 562 | Central government bodies | 1,251 |
| 585 | Other local authorities | 387 |
| - | Other entities and individuals: | - |
| 2,328 | Council tax and NDR | 801 |
| 741 | Housing benefit recoveries | 511 |
| 684 | Prepayments | 408 |
| 552 | Service debtors | 919 |
| 37 | Other debtors | 45 |
| (1,030) | Impairment Allowance | (1,181) |
| 4,459 | Total | 3,141 |

Note 14: Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

| 31-March-2024* | | 2024/25 |
|---------------------|--|---------------|
| Reinstated £'000 | | £'000 |
| 933 | Cash and Bank Balances | 2,368 |
| 19,809 | Short Term Investments | 12,295 |
| 20,742 | Total Cash and Cash Equivalents | 14,663 |

* Prior year adjustment see note 34

Notes to the Core Accounting Statements (continued)

Note 15: Creditors

The table below provides details on the level of creditor balances set out in the Balance Sheet:

| 31-March-2024 | | 31-March-2025 |
|-----------------|--|----------------|
| £'000 | | £'000 |
| (8,923) | Trade Payables | (5,378) |
| (1,662) | Other Payables | (1,636) |
| (10,585) | Total Creditors | (7,014) |
| (6,895) | Central government bodies | (3,811) |
| (2,028) | Other local authorities | (1,567) |
| - | Other entities and individuals: | - |
| (160) | Supplier creditors | (436) |
| (1,355) | Receipts in advance | (1,122) |
| (147) | Other creditors | (78) |
| (10,585) | | (7,014) |

Notes to the Core Accounting Statements (continued)

Note 16: Provisions

| Description | 2023/24 | Additional provision | Amounts Utilised | Amounts Released | 2024/25 |
|-------------------------------|--------------|----------------------|------------------|------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Short Term: <1 year | | | | | |
| Planning Appeals | (6) | (22) | 8 | - | (20) |
| Tree Root Damage Appeals | (111) | - | 4 | 13 | (94) |
| Business Rate Appeals | (652) | (252) | 78 | - | (826) |
| Total Short Term | (769) | (274) | 90 | 13 | (940) |
| Long Term: <1 year | | | | | |
| Insurance | (100) | - | - | - | (100) |
| Total Long Term | (100) | - | - | - | (100) |
| Total Provisions | (869) | (274) | 90 | 13 | (1,040) |

- **Insurance**

This provision is for the coverage of probable insurance claims under the Municipal Mutual Insurance Scheme

- **Planning Appeals**

See also above, provision is made where there is a probable obligation.

- **Business Rates Appeals**

Provision is made for outstanding rating appeals based on information supplied by the Valuation Office, as well as for appeals which are as yet unlodged.

- **Tree Root Damage Appeals**

Compensation for refusal to approve consent for felling of tree.

Note 17: Usable Reserves

Movements in the Council's usable reserves are detailed in the movement in reserves statement.

Notes to the Core Accounting Statements (continued)

Note 18: Unusable Reserves

Opening and closing balances for all the Unusable Reserves detailed below are disclosed on the face of the Balance Sheet while full movements for the year are detailed in the Movement in Reserves Statement.

| 31-March-2024 | | 31-March-2025 |
|-----------------|---|-----------------|
| £'000 | | £'000 |
| (15,711) | Revaluation Reserve | (16,368) |
| 572 | Financial Instruments Revaluation Reserve | 488 |
| (20,687) | Capital Adjustment Account | (21,281) |
| 1,581 | Pension Reserve | 1,479 |
| (2,325) | Collection Fund Adjustment Account | (176) |
| 172 | Accumulated Absences Account | 112 |
| (36,398) | Total | (35,746) |

Revaluation Reserve

The revaluation reserve holds individual balances for each asset where an increase in value has occurred. These balances are reduced when the assets are revalued downwards, impaired, used in the provision of services or disposed of and the balance realised. The revaluation reserve only contains gains accumulated since 1 April 2007, the date it was created. Gains before this date are consolidated into the Capital Adjustment Account. This reserve is not available to support spending.

| 31-March-2024 | | 31-March-2025 |
|-----------------|---|-----------------|
| £'000 | | £'000 |
| (15,645) | Balance 1 April | (15,711) |
| (928) | Upward revaluation of assets | (1,569) |
| 531 | Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services | 569 |
| (397) | Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services | (1,000) |
| 331 | Difference between fair value depreciation and historical cost depreciation | 344 |
| - | Accumulated gains on assets sold or scrapped | |
| 331 | Amount written off to the Capital Adjustment Account | 344 |
| (15,711) | Balance at 31 March | (16,368) |

Notes to the Core Accounting Statements (continued)

Note 18: Unusable Reserves (continued)

Capital Adjustment Account

The Capital adjustment account contains the difference between amounts provided for depreciation and impairment of assets and the capital expenditure financed from capital receipts. It also contains revaluation gains accumulated prior to 1 April 2007, the date the revaluation reserve was created. The Capital Adjustment Account is not available to support spending.

The movements on the Capital Adjustment Account for the year are:

| 31-March-2024 | | 31-March-2025 |
|-----------------|--|-----------------|
| £'000 | | £'000 |
| (21,396) | Balance 1 April | (20,687) |
| 1,249 | Charges for depreciation and impairment of non-current assets | 1,215 |
| (64) | Revaluation losses on non-current assets | (4) |
| 167 | Amortisation of intangible assets | 113 |
| 641 | Revenue expenditure funded from capital under statute | 1,145 |
| 8 | Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement | 5 |
| - | Other Adjustments | - |
| 2,001 | Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement | 2,474 |
| (331) | Adjusting Amounts written out of the Revaluation Reserve | (344) |
| 1,670 | Net written out amount of the cost of non-current assets consumed in the year | 2,130 |
| (194) | Use of Capital Receipts Reserve to finance new capital expenditure | (506) |
| (679) | Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing | (2,467) |
| (226) | Statutory provision for the financing of capital investment charged against the General Fund and HRA balances | 150 |
| - | Capital expenditure charged against the General Fund | - |
| (1,099) | Capital financing applied in year: | (2,823) |
| 138 | Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement | 99 |
| - | Other movements | - |
| (20,687) | Balance at 31 March | (21,281) |

Notes to the Core Accounting Statements (continued)

Note 18: Unusable Reserves (continued)

Collection Fund Adjustment Account

Replaces the collection fund surplus balance attributable to this Council and reflects the adjustment needed to allow accounting requirements to be reconciled to statutory requirements.

| 31-March-2024 | | 31-March-2025 |
|---------------|--|---------------|
| £'000 | | £'000 |
| (1,384) | Balance at 1 April | (2,325) |
| (941) | Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements | 2,149 |
| (2,325) | Balance at 31 March | (176) |

Pensions Reserve

The Pensions Reserve is an adjustment account that manages the effects of IAS19 charges made to the Comprehensive Income and Expenditure Statement against the statutory requirements for meeting the cost of retirement benefits from local taxes, as well as absorbing the impact of actuarial gains and losses.

| 31-March-2024 | | 31-March-2025 |
|---------------|--|---------------|
| £'000 | | £'000 |
| (8,179) | Balance at 1 April | 1,581 |
| 10,817 | Remeasurements of the net defined benefit liability/(asset) | 388 |
| - | Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement | - |
| 885 | Net charges made for retirement benefits in accordance with IAS19 | 1,201 |
| (1,942) | Employer's contributions payable to the pension fund and retirement benefits payable direct to pensioners | (1,691) |
| 1,581 | Balance at 31 March | 1,479 |

Notes to the Core Accounting Statements (continued)

Note 18: Unusable Reserves (continued)

Financial Instruments Revaluation Reserve

Changes in the Fair Value of Available for Sale Assets are balanced by an entry in the Available for Sale Reserve.

| 31-March-2024 | | 31-March-2025 | |
|---------------|---|---------------|------|
| £'000 | | £'000 | |
| 470 | Balance at 1 April | | 572 |
| 102 | (Upward) / Downward revaluation of investment | | (84) |
| 572 | Balance at 31 March | | 488 |

Accumulated Absences Account

This account holds the balance of leave/lieu time earned by employees but not taken at 31 March 2025. Accounting arrangements require leave due to employees to be charged to the Comprehensive Income and Expenditure Statement but not the General Fund.

| 31-March-2024 | | 31-March-2025 | |
|---------------|---|---------------|-------|
| £'000 | | £'000 | |
| 141 | Balance at 1 April | | 172 |
| (141) | Employee Benefits Accrued (prior year adjustment) | | (172) |
| 172 | Employee Benefits Accrued (current year adjustment) | | 112 |
| 172 | Balance at 31 March | | 112 |

Notes to the Core Accounting Statements (continued)

Note 19: Cash Flow Statement – Cash Flow Adjustments to Net Deficit On The Provision Of Services

| 2023/24 | | 2024/25 |
|------------|--|--------------|
| £'000 | | £'000 |
| | Cash Flow Adjustments to Net Deficit on the Provision of Services | |
| (1,249) | Depreciation of non current assets | (1,215) |
| 64 | Impairment of non current assets | (160) |
| (167) | Amortisation of intangible fixed assets | (113) |
| - | Revaluation gains on the value of non-current assets | - |
| 1,057 | Pension Fund adjustments | 490 |
| (2) | Increase / (Decrease) in Inventories | (2) |
| (3,835) | Increase / (Decrease) in Debtors | 4,724 |
| 4,361 | (Increase)/ Decrease in Creditors | (1,906) |
| - | Capital Grants credited to Surplus or deficit on the provision of services | - |
| 119 | Other non-cash movement | 428 |
| 348 | Total adjustments to net deficit on the provision of services | 2,246 |

| 2023/24 | | 2024/25 |
|------------|--|--------------|
| £'000 | | £'000 |
| - | Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries) | - |
| 32 | Proceeds from the sale of property, plant and equipment, investment property and intangible assets. | 44 |
| 949 | Any other items for which the cash effects are investing or financing cash flows | 2,478 |
| 981 | | 2,522 |

The cash flows for operating activities include the following items:

| 2023/24 | | 2024/25 |
|--------------|--|--------------|
| £'000 | | £'000 |
| | Cash Flow from Operating Activities includes the following | |
| (320) | Interest (received)/paid | (574) |
| (320) | Total adjustments to net deficit on the provision of services | (574) |

Notes to the Core Accounting Statements (continued)

Note 20: Cash Flow Statement – Investing Activities

| 31-March-2024* | | 2024/25 |
|----------------|---|--------------|
| £'000 | | £'000 |
| | Cash Flow Statement – Investing Activities | |
| 232 | Purchase of PP&E, investment property and intangible assets | 5,768 |
| (32) | Proceeds from the sale of PP&E, investment property and intangible assets | (44) |
| (1,178) | Other receipts from investing activities | (1,930) |
| (8,028) | Proceeds from short-term and long-term investments | |
| (9,006) | Net cash flows from investing activities | 3,794 |

* Prior year adjustment see note 34

Note 21: Cash Flow Statement – Financing Activities

| 2023/24 | | 2024/25 |
|--------------|--|----------------|
| £'000 | | £'000 |
| | Cash receipts of short and long-term borrowing | |
| 237 | Cash payments for the reduction of outstanding liabilities relating to finance leases and on balance sheet PFI contracts | 12 |
| 2,773 | Other receipts for financing activities | (1,131) |
| 3,010 | Net cash flows from investing activities | (1,119) |

Note 22: Members' Allowances

| 31-March-2024 | | 31-March-2025 |
|---------------|----------------------------------|---------------|
| £'000 | | £'000 |
| 226 | Allowances | 245 |
| 7 | Other Allowance | 7 |
| 2 | Expenses | 4 |
| 235 | Total Members' Allowances | 256 |

Notes to the Core Accounting Statements (continued)

Note 23: Remuneration of Senior Staff

The following table shows the remuneration for the Council's Senior Officers:

| 2024/25 | Total Remuneration excluding Pension costs | Pension Contributions | Total Remuneration including Pension Contributions |
|---|---|--------------------------|--|
| | £'000 | £'000 | £'000 |
| Post holder information | | | |
| Doug Wilkinson - Chief Executive* | 65 | 13 | 78 |
| Richard Holmes - Director of Service Delivery** | 140 | 16 | 156 |
| Paul Dodson - Deputy Chief Executive - Strategy & Resources Directorate | 102 | 22 | 124 |

*Doug Wilkinson started on October 2024

**Richard Holmes left on December 2024

Ben Cookson started on October 2024 as interim S151 Officer and left on May 2025, the total cost excluding agency fee is £90k

| 2023/24 | Total Remuneration excluding Pension costs | Pension Contributions | Total Remuneration including Pension Contributions |
|--|---|--------------------------|--|
| | £'000 | £'000 | £'000 |
| Post holder information | | | |
| Richard Holmes - Director of Service Delivery | 100 | 21 | 121 |
| Paul Dodson - Director of Strategy, Performance and Governance | 100 | 21 | 121 |
| Director of Resources | 29 | 5 | 34 |

The number of employees - other than senior officers shown in the table above - whose remuneration was in excess of £50,000 was as follows:

| Remuneration band | Number of employees | |
|---------------------|---------------------|-----------|
| | 31-March-2024* | 2024/25 |
| £ 50,000 - £ 54,999 | 9 | 10 |
| £ 55,000 - £ 59,999 | 5 | 4 |
| £ 60,000 - £ 64,999 | 6 | 3 |
| £ 65,000 - £ 69,999 | 4 | 7 |
| £ 70,000 - £ 74,999 | 2 | 4 |
| £ 75,000 - £ 79,999 | 3 | 5 |
| £ 80,000 - £ 84,999 | - | - |
| £ 85,000 - £ 89,999 | - | 1 |
| Total | 29 | 34 |

* Prior year adjustment see note 34

For this purpose 'remuneration' means all amounts paid to or receivable by an employee excluding employer pension contributions and including sums due by way of expenses allowance (so far as those sums are chargeable to UK income tax) and the estimated money value of any other benefits received by an employee other than in cash. Part time or temporary posts would be included at annualised cost.

Notes to the Core Accounting Statements (continued)

Note 24: Termination Benefits

Termination benefits are amounts payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits.

There were termination packages totalling £122,522 in 2024/25. There were no termination payments made in 2023/24.

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

| (a) Exit Package costs band (including special payments) | (b) Number of compulsory redundancies | | (c) Number of other departures agreed | | (d) Total number of exit packages by cost band (b + c) | | (e) Total cost of exit packages in each band | |
|---|--|----------|--|----------|---|----------|---|----------------|
| | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 |
| | £ 0 - £ 20,000 | - | 1 | - | 2 | - | 3 | - |
| £ 20,001 - £ 40,000 | - | - | - | - | - | - | - | - |
| £ 100,000 - £ 150,000 | - | 1 | - | - | - | 1 | - | 109,301 |
| Total cost included in bandings and in the CIES | - | 2 | - | 2 | - | 4 | - | 122,522 |

Note 25: External Audit Costs

The Council has incurred the following costs in relation to the audit of the statement of accounts. The appointed auditors were KPMG LLP.

| 2023/24 | | 2024/25 |
|------------|--|------------|
| £'000 | | £'000 |
| 144 | Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year | 158 |
| 39 | Fees payable in respect of other services provided by external auditors during the year | - |
| 183 | Total | 158 |

Notes to the Core Accounting Statements (continued)

Note 26: Grant Income

The Council credited the following Capital grants and contributions to the Comprehensive Income and Expenditure Statement - Taxation and Non Specific Grant Income:

The authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year-end are as follows

| 2023/24 | | 2024/25 |
|-----------------|--|-----------------|
| £'000 | | £'000 |
| (96) | Note 26a Credited to services | (96) |
| (496) | NNDR Administration Grant | (520) |
| (107) | ECC Contribution to Food Waste | (106) |
| (8,992) | Housing Benefit Admin Grant | (8,918) |
| (60) | Housing Benefits | (207) |
| (136) | COVID 19 Grants | - |
| (235) | Council Tax & NNDR Specific grants | (242) |
| (781) | DLUHC Homelessness Grant | (903) |
| - | Other | - |
| (10,903) | | (10,992) |
| (474) | Note 26b Revenue Grants Credited to Taxation and Non-Specific Grant Income | (495) |
| (78) | New Homes Bonus | (11) |
| (642) | Lower Tier Services Grant | (815) |
| (1,194) | Other Grants Credited to Taxation and Non-Specific Grant Income | (1,321) |
| | Total Revenue Grants Credited to Taxation and Non-Specific Grant Income | |
| | Note 26c Capital Grants and Contribution Credited to Taxation and Non-Specific Grant Income | |
| (862) | Capital Grants and Contributions | (2,366) |
| (862) | Total Capital Grants Credited to Taxation and Non-Specific Grant Income | (2,366) |

Notes to the Core Accounting Statements (continued)

Note 26: Grant Income (continued)

| 2023/24 | | 2024/25 |
|--------------|--|--------------|
| £'000 | | £'000 |
| | Note 32d Receipts in Advance (Revenue Grants) | |
| (90) | Homelessness grant | (92) |
| - | - Domestic Abuse grant | (29) |
| (170) | Test and Trace Grant | - |
| (42) | Essex Public Health Accelerator Bid | - |
| - | - Cyber Support grant | (35) |
| (129) | Air Quality Grant | - |
| (127) | Other Grants | (281) |
| (70) | Health and Wellbeing post grant | (78) |
| (628) | Total Receipts in Advance (Revenue Grants) | (515) |

Notes to the Core Accounting Statements (continued)**Note 27: Related Party Transactions**

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Council or be controlled or influenced by the Council

The most significant related party transactions with these bodies are disclosed in the precepting bodies in the Collection Fund. Details of financial transactions with these bodies are disclosed in the Comprehensive Income and Expenditure Statement and associated notes.

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2024/25 is shown in Note 23.

Senior managers have control over Council's operation. Their salaries are disclosed in Note 24.

There were no related party transactions in 2024/25 from the returns received.

A Register of Members Interests is held by the Council; in this document members set out details of their interests, as required by the Localism Act 2011 and also by the Council's Code of Conduct.

This information is published on the Council's website (see blink below), using the search term 'Register of Interests'.

<http://www.maldon.gov.uk>

Notes to the Core Accounting Statements (continued)

Note 28: Capital Expenditure

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

| 2023/24 | | 2024/25 |
|----------------|---|----------------|
| £'000 | | £'000 |
| 226 | Opening capital financing requirement | 55 |
| | Capital investment | |
| 287 | Property, plant and equipment | 5,492 |
| - | - Infrastructure | 276 |
| 641 | Revenue expenditure funded from capital under statute | 1,145 |
| 928 | Total Capital investment | 6,913 |
| | Sources of finance | |
| (194) | Capital receipts | (506) |
| (679) | Capital Grants and Contributions | (2,467) |
| (226) | Minimum Revenue Payment (MRP) | (14) |
| (1,099) | Total internal financing | (2,987) |
| 55 | Closing capital financing requirement | 3,982 |

Significant increase came from Waste vehicle and funded by internal borrowing, the rest of the increase came from capital program and things are picking up after Covid 19. The rest funded from Capital Receipts, Capital grants and contributions.

Notes to the Core Accounting Statements (continued)

Note 29: Leases**Council as Lessee - Right of Use Assets**

The Council has limited involvement in arrangements that are required to be accounted for as leases. The Council effectively leased refuse vehicles indirectly through its contract with Suez as they used their own vehicles solely on the Council's behalf. The contract ended in 2023/24. During 2023/24 the Council entered into a lease for the use of a tractor.

The following amounts have been included in the Property, Plant and Equipment balance for the right-of-use assets acquired under these leases:

| | 31-March-2024 | 31-March-2025 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Amounts recognised upon implementation of new accounting policies at 1 April 2024 | 226 | 45 |
| Additions | 45 | - |
| Principal repaid in year | (226) | (11) |
| Carrying amount at 31 March 2025 | 45 | 34 |

The interest charged to the Surplus/Deficit on the Provision of Services for these leases in 2024/25 was £2k.

At 31 March 2025, the outstanding payments under the leases were:

| 31-March-2024 | | 31-March-2025 |
|---------------|---|---------------|
| £'000 | | £'000 |
| 11 | Not later than one year | 12 |
| 34 | Later than one year and not later than five years | 22 |
| 45 | | 34 |

The Council also leases photocopiers and printers, but no right-of-use assets or liabilities are recognised for these items as they are deemed to be of low value. The rents charged to the Surplus/Deficit on the Provision of Services for these leases in 2024/25 was £126k.

Notes to the Core Accounting Statements (continued)

Note 29: Leases (continued)

Operating Leases

The Council has acquired plant and equipment and its IT and Telecommunications System by entering into operating leases, with lives of 2 to 5 years.

Authority as Lessee - Operating Leases

The future minimum lease payments due under non-cancellable operating leases in future years are set out below:

| 31-March-2024 | | 31-March-2025 | |
|---------------|---|---------------|--|
| £'000 | | £'000 | |
| 84 | Not later than one year | 126 | |
| 326 | Later than one year and not later than five years | 227 | |
| - | Later than five years | - | |
| 410 | Total | 353 | |

The expenditure charged to the business change line in the comprehensive income and expenditure statement.

The expenditure charged to services in the CIES during the year in relation to these leases was:

| 31-March-2024 | | 31-March-2025 | |
|---------------|------------------------|---------------|--|
| £'000 | | £'000 | |
| 410 | Minimum lease payments | 353 | |
| 410 | Total | 353 | |

The Council has no finance leases as lessor

Notes to the Core Accounting Statements (continued)

Note 29: Leases (continued)

Council as lessor

Operating Leases

The Council leases out property and equipment under operating leasing for the following purposes:

- For economic development purposes to provide suitable affordable accommodation for local businesses
- For the provision of community services such as river leases

Income the Council is expecting to receive from minimum lease rental payments is analysed as:

| 31-March-2024 £'000 | | 31-March-2025 £'000 |
|------------------------|---|------------------------|
| 547 | Not later than one year | 599 |
| 1,899 | Later than one year and not later than five years | 2,244 |
| 10,471 | Later than five years | 7,060 |
| 12,917 | Total | 9,903 |

Notes to the Core Accounting Statements (continued)**Note 30: Defined Benefit Pension Scheme****Participation in Pension Schemes**

As part of the terms and conditions of employment of its officers and other employees, the Council makes contributions to the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments, which needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, administered by Essex County Council. This is a funded defined benefits final salary/career average scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

Transactions Relating to Post-employment Benefits

The cost of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required against Council Tax is based on the cash contributions payable to the Pension Fund in the year, so the real cost of employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

Notes to the Core Accounting Statements (continued)

Note 30: Defined Benefit Pension Scheme (continued)

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

| | 2023/24 | 2024/25 |
|---|-----------------|--------------|
| | £'000 | £'000 |
| Comprehensive Income & Expenditure Statement | | |
| Cost of Services: | | |
| Current Service Cost | 1,221 | 1,156 |
| Past Service Cost/(Gain) – Including Curtailments | 53 | 43 |
| Administration Expense | 48 | 46 |
| Financing and Investment Income and Expenditure: | | |
| Net Interest Expense | (437) | (44) |
| Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services | 885 | 1,201 |
| Other Comprehensive Income & Expenditure: | | |
| Return on Plan Assets (excluding amounts included in net interest expense) | 5,162 | 25 |
| Actuarial (Gains) & Losses Arising on Changes in Demographic Assumptions | 851 | 161 |
| Actuarial (Gains) & Losses Arising on Changes in Financial Assumptions | 525 | 8,628 |
| Experience (Gains) & Losses on Defined benefit obligations | (185) | 169 |
| Remeasurement of the asset ceiling | (17,170) | (9,371) |
| Total remeasurements recognised in the Comprehensive Income & Expenditure Statement | (10,817) | (388) |
| Expenditure Statement | (9,932) | 813 |
| Movement in Reserves Statement: | | |
| Reversal of net charges made to the Surplus or Deficit for the Provision of Services for Post-employment Benefits in accordance with the Code | (885) | (1,201) |
| Employer's Contributions Payable to the Pension Scheme | 1,942 | 1,691 |
| Total | 1,057 | 490 |

Future Employer contributions will be subject to the triennial review that is currently underway.

Notes to the Core Accounting Statements (continued)

Note 30: Defined Benefit Pension Scheme (continued)

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plan is as follows:

| Pension Assets & Liabilities Recognised in the Balance Sheet | 2023/24 | 2024/25 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Present value of the defined benefit obligation | (60,666) | (53,483) |
| Fair value of plan assets | 77,162 | 80,184 |
| Sub-total | 16,496 | 26,701 |
| Present value of unfunded liabilities | (907) | (770) |
| Remeasurement of the asset ceiling | (17,170) | (27,410) |
| Net (liability)/asset arising from defined benefit obligation | (1,581) | (1,479) |

Assets and Liabilities in relation to Retirement Benefits

| Reconciliation of Present Value of Scheme Liabilities | 2023/24 | 2024/25 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Liabilities as of the Beginning of the Period | 60,650 | 61,573 |
| Current Service Cost | 1,221 | 1,156 |
| Interest Cost | 2,865 | 2,971 |
| Contributions by Scheme Participants | 481 | 498 |
| Change in financial assumptions | (525) | (8,628) |
| Change in demographic assumptions | (851) | (161) |
| Other | 185 | (169) |
| Benefits Paid (include funded & unfunded pension payments) | (2,506) | (3,030) |
| Past Service Costs | 53 | 43 |
| Liabilities as of the End of the Period | 61,573 | 54,253 |

Asset Ceiling

| | 2023/24 | 2024/25 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Asset Ceiling as of the Beginning of the Period | - | 17,170 |
| Current Service Cost | 17,170 | 10,240 |
| Asset Ceiling as of the End of the Period | 17,170 | 27,410 |

Notes to the Core Accounting Statements (continued)

Note 30: Defined Benefit Pension Scheme (continued)

| Reconciliation of Fair Value of Scheme Assets | 2023/24 | 2024/25 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Assets as of the Beginning of the Period | 68,829 | 77,162 |
| Interest on Assets | 3,302 | 3,884 |
| Return assets less interest | 5,162 | 25 |
| Actuarial Gains/(Losses) | - | - |
| Administration expenses | (48) | (46) |
| Employer Contributions | 1,942 | 1,691 |
| Contributions by Scheme Participants | 481 | 498 |
| Benefits Paid | (2,506) | (3,030) |
| Assets as of the End of the Period | 77,162 | 80,184 |

Defined Benefit Pension Scheme Risks

In general, participating in a defined benefit pension scheme means that the Council is exposed to a number of risks:

Investment risk:

The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.

Interest rate risk:

The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way.

Inflation risk:

All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.

Longevity risk:

On the event that the members live longer than the assumed a deficit will emerge on the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the Essex Pension Fund, there is an orphan liability risk where employers leave the Fund with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the above may also benefit the Council e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

Notes to the Core Accounting Statements (continued)

Note 30: Defined Benefit Pension Scheme (continued)

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Barnett Waddingham LLP, an independent firm of actuaries, estimates for the Essex County Council Fund being based on the latest valuation of the scheme.

The estimated Macaulay duration of the Employer's liabilities as at the accounting date using the assumptions set out above is 15 years.

The principal assumptions used by the actuary have been:

| Mortality assumptions: | LPFA | |
|--|------------|------------|
| | 2023/24 | 2024/25 |
| Longevity at 65 for current pensioners: | | |
| Men | 20.8 Years | 20.7 Years |
| Women | 23.3 Years | 23.3 Years |
| Longevity at 65 for future pensioners: | | |
| Men | 22 Years | 22 Years |
| Women | 24.7 Years | 24.7 Years |
| <i>Financial assumptions:</i> | | |
| RPI increases | 3.25% | 3.20% |
| CPI increases | 2.90% | 2.95% |
| Rate of increase in salaries | 3.95% | 3.90% |
| Rate of increase in pensions | 2.95% | 2.90% |
| Rate for discounting scheme liabilities | 4.90% | 5.80% |

The Discretionary Benefit arrangements have no assets to cover its liabilities.

The scheme's assets consist of the following categories, by proportion of the total assets held:

| 2023/24 | | | 2024/25 | |
|---------------|-------------|--------------------|---------------|-------------|
| £'000 | % | | £'000 | % |
| 39,353 | 51% | Equities | 40,573 | 51% |
| 1,389 | 2% | Gilts | 1,203 | 2% |
| - | 0% | Other Bonds | - | 0% |
| 5,324 | 7% | Property | 6,495 | 8% |
| 1,852 | 2% | Cash | 1,523 | 2% |
| 25,926 | 34% | Alternative Assets | 26,942 | 34% |
| 3,318 | 4% | Other | 3,448 | 4% |
| 77,162 | 100% | Total | 80,184 | 100% |

Based on the above, Maldon District Council's share of the assets of the total Essex Pension Fund is approximately 1%.

Notes to the Core Accounting Statements (continued)

Note 30: Defined Benefit Pension Scheme (continued)

Sensitivity Analysis: present value of total obligation

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant.

The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

| 2023/24 | | | Adjustment to: | 2024/25 | | |
|----------|--------|----------|--|----------|--------|----------|
| £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 |
| + 0.1% | 0.0% | -0.1% | Discount Rate | + 0.1% | 0.0% | -0.1% |
| 60,641 | 61,573 | 62,530 | | 53,503 | 54,253 | 55,021 |
| + 0.1% | 0.0% | -0.1% | Long Term Salary Increase | + 0.1% | 0.0% | -0.1% |
| 61,651 | 61,573 | 61,496 | | 54,316 | 54,253 | 54,190 |
| + 0.1% | 0.0% | -0.1% | Pension Increases & Deferred Revaluation | + 0.1% | 0.0% | -0.1% |
| 62,469 | 61,573 | 60,700 | | 54,978 | 54,253 | 53,544 |
| + 1 Year | None | - 1 Year | Mortality Age Rating Assumption | + 1 Year | None | - 1 Year |
| 64,182 | 61,573 | 59,086 | | 56,336 | 54,253 | 52,259 |

Note 31: Contingent Liabilities

At 31 March 2025, the Council has one contingent liability:

There is a possible claim against the council regarding a noise abatement notice which has been issued. Estimate for this case is £10,000 but the outcome of the case is uncertain at this time.

Note 32: Short Term Investments

| 31-March-2024* | | 31-March-2025 |
|----------------|-------------------------------------|---------------|
| £'000 | | £'000 |
| - | Short Term Investments | - |
| - | Total Short Term Investments | - |

* Prior year adjustment see note 34

This comprises non property investments and is treated as short-term investments. Where investments maturity date is more than three months of the year end date (31 March 2025) it will be treated as short-term investments. If the maturity date is less than three months it will be treated as cash and cash equivalent.

Notes to the Core Accounting Statements (continued)

Note 33: Grants Receipts in Advance - Capital

| | 01-April-2024 | Moved to EMR | Additions | Conditions Met | 31-March-2025 |
|-----------------|----------------|--------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Changing Places | (74) | - | - | 74 | - |
| S106 Receipts | (1,655) | (110) | (123) | 543 | (1,345) |
| Other | (341) | - | (1,148) | 1,203 | (286) |
| Total | (2,070) | (110) | (1,271) | 1,820 | (1,631) |

Note 34: Prior Year Adjustment

Adjustment 1: In preparing the financial statements for 2024/25, the Council identified that an amount of £6,000,000 originally presented within short-term investments at 31 March 2024 met the definition of cash equivalents, as the investment had an original maturity of three months and was held to fulfil the Council's cash flow requirements. This amount has therefore been reclassified to Cash and Cash Equivalents in the comparative balance sheet. The impacts of the restatement on the balance sheet and cash flow statement for the year ended 31 March 2024 are set out below.

The detail below shows the adjustments:

| Effect on Balance Sheet at 31 March 2024 | 31 March 2024 Balance as previously stated | Adjustment | 31 March 2024 Balance restated |
|--|--|------------|--------------------------------|
| | £000 | £000 | £000 |
| Cash and Cash Equivalents | 14,742 | 6,000 | 20,742 |
| Short Term Investments | 6,000 | (6,000) | - |
| Current Assets | 20,742 | - | 20,742 |

Notes to the Core Accounting Statements (continued)

Note 34: Prior Period Adjustment Note (continued)

| Effect on Balance Sheet at 31 March 2024 | 31 March 2024 Balance as previously stated | Adjustment | 31 March 2024 Balance restated |
|--|--|----------------|--------------------------------|
| | £000 | £000 | £000 |
| Net (surplus) or deficit on the provision of services | (480) | - | (480) |
| Adjust to deficit on the provision of services for non-cash movements | 348 | - | 348 |
| Adjustments for items included in net deficit in the provision of services that are investing & financing activities | (1,047) | 2,028 | 981 |
| Total adjustments to operating activities | (699) | 2,028 | 1,329 |
| Net cash outflow/(inflow) from operating activities | (1,179) | 2,028 | 849 |
| Investing Activities | (978) | (8,028) | (9,006) |
| Financing Activities | 3,010 | - | 3,010 |
| Net (increase) or decrease in cash and cash equivalents | 853 | (6,000) | (5,147) |
| Cash and cash equivalents at the beginning of the reporting period | 15,595 | - | 15,595 |
| Cash and cash equivalents at the end of the reporting period | 14,742 | 6,000 | 20,742 |

| Note 23: Cash Flow Statement - Operating Activities | 31 March 2024 Balance as previously stated | Adjustment | 31 March 2024 Balance restated |
|--|--|--------------|--------------------------------|
| | £000 | £000 | £000 |
| Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries) | (2,028) | 2,028 | - |
| Proceeds from the sale of property, plant and equipment, investment property and intangible assets. | 32 | 0 | 32 |
| Any other items for which the cash effects are investing or financing cash flows | 949 | 0 | 949 |
| Total | (1,047) | 2,028 | 981 |

| Note 24: Cash Flow Statement – Investing Activities | 31 March 2024 Balance as previously stated | Adjustment | 31 March 2024 Balance restated |
|--|--|----------------|--------------------------------|
| | £000 | £000 | £000 |
| Purchase of PP&E, investment property and intangible assets | 232 | - | 232 |
| Proceeds from short-term and long-term investments | - | (8,028) | (8,028) |
| Proceeds from the sale of PP&E, investment property and intangible | (32) | - | (32) |
| Other receipts from investing activities | (1,178) | - | (1,178) |
| Net cash flows from investing activities | (978) | (8,028) | (9,006) |

Adjustment 2: The number of employees whose remuneration exceeded £50,000 in the 2023–24 Statement of Account erroneously included two additional members of staff. This note corrects that error.

SECTION – 4

SUPPLEMENTARY FINANCIAL STATEMENTS

| Supplementary Financial Statements | Page Number |
|---------------------------------------|-------------|
| • <i>Collection Fund Statement</i> | 92 |
| • <i>Notes to the Collection Fund</i> | 93 |



COLLECTION FUND STATEMENT

The Collection Fund statement reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing Council in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

| 31-March-2024 | | | | 31-March-2025 | | |
|-----------------|-----------------|-----------------|---|-----------------|-----------------|-----------------|
| Business Rates | Council Tax | Total | | Business Rates | Council Tax | Total |
| £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 |
| | | | INCOME | | | |
| - | (54,756) | (54,756) | Council Tax Receivable | - | (58,399) | (58,399) |
| - | - | - | Transfer from General Fund | - | (10) | (10) |
| (15,898) | - | (15,898) | Business Rates Receivable | (16,527) | - | (16,527) |
| (15,898) | (54,756) | (70,654) | Total income | (16,527) | (58,409) | (74,936) |
| | | | Expenditure | | | |
| | | | Precepts Demands & Shares: | | | |
| 6,864 | - | 6,864 | Central Government | 7,505 | - | 7,505 |
| 1,236 | 37,548 | 38,784 | Essex County Council | 1,351 | 40,195 | 41,546 |
| - | 6,045 | 6,045 | PFCC for Essex Policing & Community Safety**** | - | 6,506 | 6,506 |
| 137 | 2,079 | 2,216 | Essex PFCC Fire & Rescue Council**** | 150 | 2,181 | 2,331 |
| 5,491 | 7,317 | 12,808 | Maldon DC & Parishes | 6,004 | 7,739 | 13,743 |
| | | | Redistributed Collection Fund Previous Year Surplus/(Deficit): | | | |
| (952) | - | (952) | Central Government | 2,994 | - | 2,994 |
| (171) | 905 | 734 | Essex County Council | 539 | 1,411 | 1,950 |
| - | 142 | 142 | PFCC for Essex Policing & Community Safety**** | - | 227 | 227 |
| (19) | 48 | 29 | Essex PFCC Fire & Rescue Council**** | 60 | 78 | 138 |
| (761) | 180 | (581) | Maldon DC & Parishes | 2,396 | 275 | 2,671 |
| 11,825 | 54,264 | 66,089 | Total expenditure | 20,999 | 58,612 | 79,611 |
| | | | Charges to Collection Fund: | | | |
| 79 | 369 | 448 | Increase / Decrease (-) in Bad Debt Provision | 46 | 268 | 314 |
| 39 | - | 39 | Increase / Decrease (-) in Provision for Appeals | 435 | - | 435 |
| 91 | - | 91 | Costs of Collection | 91 | - | 91 |
| 839 | - | 839 | Disregarded Amounts | 1,004 | - | 1,004 |
| 1,048 | 369 | 1,417 | (Surplus)/Deficit carried forward | 1,576 | 268 | 1,844 |
| (3,025) | (123) | (3,148) | (-) Surplus / Deficit Arising During the Year | 6,048 | 471 | 6,519 |
| (2,705) | (2,207) | (4,912) | (-) Surplus / Deficit B/Fwd as at 01 April | (5,730) | (2,330) | (8,060) |
| (5,730) | (2,330) | (8,060) | (-) Surplus / Deficit C/Fwd 31 March | 318 | (1,859) | (1,541) |

****PFCC is the abbreviation for Police, Fire & Rescue Council and Crime Commissioner

Notes to the Collection Fund

COL - 1: General

This account represents the statutory requirement for billing authorities to maintain a separate Collection Fund, which shows the transactions of the billing authority in relation to Non-Domestic Rates, council tax and the distribution to the major preceptors and the General Fund. The account is consolidated with other accounts of the Council.

In 2013/14 there was a change to the method for distributing and accounting for business rates income. Prior to 1st April 2013 Non-Domestic Rates were collected by the Council and then completed paid over to the Government, who then redistributed these sums across the country in the form of the Non-Domestic rates grant.

From 1st April 2013 Business Rates Retention applies, whereby local authorities Maldon District Council (40%), Essex County Council (9%) and Essex County Fire & Rescue Service (1%) retain 50% of the business rates collected for the area and pay the remaining 50% to central government. In addition the government has set a level of business rates funding deemed to be applicable to each area and every Council receives a top-up (if business rates collected are below this deemed level of funding) or pays a tariff (if business rates collected are above this deemed level of funding).

With the introduction of business rates retention if a local authority increases its business rates base, and thereby increases its business rate income, it is allowed to retain a proportion of this increased income, whilst paying up to a maximum of 50% across to central government. This payment where it occurs is known as a levy payment. However, as Maldon District Council is part of a business rates pool, the levy is distributed to the members as per the pooling arrangements with 0.72% paid to central government as a levy payment.

COL - 2: Business Rates

Business Rates is a local tax that is paid by the occupiers of all non-domestic/business property.

Business rates are calculated and collected by the Council. The Government specifies an amount (54.6p in 2024/25; 49.9p for small businesses) and, subject to the effects of transitional arrangements, local businesses pay NDR calculated by multiplying their rateable value by that amount. The income raised in Maldon is distributed between Maldon District Council, Essex County Council and Central Government in line with the distribution rules set out in Business Rates legislation.

NNDR income was £16.5m in 2024/25 (2023/24: £15.9m). The rateable value for the Council's area was £46.68m as at 31 March 2025 VOA valuation

Notes to the Collection Fund (continued)

COL - 4a: Council Tax Income

The average Band D Council Tax for the year 2024-25 was £2,076.84 excluding parish element (£2,046.51 in 2023-24).

COL - 4b: Council Tax Base

The Council's tax base for 2024-25 i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of Band D dwellings, was calculated as follows:

The figures for 2024/25 are:

| Valuation Band | Chargeable Dwellings | Estimated Properties After Discounts, Exemptions etc. | Ratio to Band D | Band D equivalent dwellings |
|-------------------------------------|----------------------|---|-----------------|-----------------------------|
| A* | - | 1.1 | 5/9 | 0.6 |
| A | 2,452.0 | 1,463.5 | 6/9 | 975.7 |
| B | 3,901.0 | 2,861.1 | 7/9 | 2,225.3 |
| C | 8,524.0 | 6,948.0 | 8/9 | 6,176.0 |
| D | 5,548 | 4,953.3 | 9/9 | 4,953.3 |
| E | 4,635.0 | 4,297.2 | 11/9 | 5,252.2 |
| F | 3,079.0 | 2,926.0 | 13/9 | 4,226.5 |
| G | 1,669.0 | 1,586.0 | 15/9 | 2,643.4 |
| H | 186.0 | 172.8 | 18/9 | 345.5 |
| Total | 29,994.0 | 25,209.0 | | 26,798.5 |
| Add Expected growth and rounding's | | | | 195.6 |
| Less Adjustment for collection rate | | | | (593.9) |
| Council Tax Base | | | | 26,400.2 |

The Council tax payable at each band is shown below. This does not include parishes.

| Band | Multiplier | Maldon District | Essex County Council | Essex Police Fire and Crime Commissioner | Essex Fire | Total |
|------|------------|-----------------|----------------------|--|------------|-----------------|
| A | 6/9ths | 150.18 | 1,015.02 | 164.28 | 55.08 | 1,384.56 |
| B | 7/9ths | 175.21 | 1,184.19 | 191.66 | 64.26 | 1,615.32 |
| C | 8/9ths | 200.24 | 1,353.36 | 219.04 | 73.44 | 1,846.08 |
| D | 9/9ths | 225.27 | 1,522.53 | 246.42 | 82.62 | 2,076.84 |
| E | 11/9ths | 275.33 | 1,860.87 | 301.18 | 100.98 | 2,538.36 |
| F | 13/9ths | 325.39 | 2,199.21 | 355.94 | 119.34 | 2,999.88 |
| G | 15/9ths | 375.45 | 2,537.55 | 410.70 | 137.70 | 3,461.40 |
| H | 18/9ths | 450.54 | 3,045.06 | 492.84 | 165.24 | 4,153.68 |

Notes to the Collection Fund (continued)

COL - 4b: Council Tax Base (continued)

Non Domestic Rates

| | 2023/24 | 2024/25 |
|----------------------------------|---------|---------|
| Multiplier: Business Rate Relief | 51.2 | 54.6 |
| Small Business Rate Relief | 49.9 | 49.9 |

The multiplier is set by Central Government.

A Business Rates Retention Scheme was introduced in April 2013.

The Local Council retains 100% of NDR income for their Renewable Energy Sites then, after allowances and expenditure, retains 40%, with 50% being paid to Central Government, 9% to Essex County Council and 1% to Essex County Fire & Rescue Service.

Collection Fund Balances

| | 31-March-2024 | | Movement | 31-March-2025 |
|----------------------------|---------------|--|----------|---------------|
| | £'000 | | £'000 | £'000 |
| (Surplus) / Deficit (CT) | (2,330) | | 471 | (1,859) |
| (Surplus) / Deficit (NNDR) | (5,730) | | 6,048 | 318 |

| Attributable to: | NNDR | | CT | |
|--|---------------|------------|---------------|----------------|
| | % | £'000 | % | £'000 |
| Central Government | 50.0% | 159 | 0.0% | - |
| Maldon District Council | 40.0% | 127 | 13.6% | (253) |
| Essex County Council | 9.0% | 29 | 70.8% | (1,316) |
| PFCC for Essex Policing & Community Safety | 0.0% | - | 11.6% | (216) |
| Essex PFCC Fire & Rescue Council | 1.0% | 3 | 4.0% | (74) |
| | 100.0% | 318 | 100.0% | (1,859) |

SECTION – 5

Independent Auditors Report to Maldon District Council

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALDON DISTRICT COUNCIL

REPORT ON THE AUDIT OF THE COUNCIL'S FINANCIAL STATEMENTS

Disclaimer of opinion

We were engaged to audit the financial statements of Maldon District Council ("the Council") for the year ended 31 March 2025 which comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, Collection Fund Statement and the related notes, including the Expenditure and Funding Analysis and the accounting policies in note 2.

We do not express an opinion on the financial statements. Due to the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (the "Amendment Regulations") require the Council to publish its financial statements and our opinion thereon for the year ended 31 March 2025 by 27 February 2026 (the "Backstop Date").

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date. These areas were: the carrying amount of Land and Buildings, and the balance of, and movements in, usable and unusable reserves for the year ended 31 March 2025.

In addition, we have been unable to obtain sufficient appropriate audit evidence over any of the disclosed comparative figures for the Council for the year ended 31 March 2024 due to the Backstop Date. As a result, we were unable to determine whether there were any consequential effects on the Council's income and expenditure for the year ended 31 March 2025.

Any adjustments from the above matters would have a consequential effect on the Council's net assets and the split between usable reserves and unusable reserves as at 31 March 2025 and 31 March 2024, the Collection Fund and on its income and expenditure and cash flows for the years then ended.

Fraud and breaches of laws and regulations – ability to detect

As stated in the Disclaimer of opinion section of our report, we do not express an opinion on the financial statements due to the reasons described in the Basis for disclaimer of opinion section of our report.

Other information

The Director of Finance (S151) is responsible for the other information, which comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Any opinion on the financial statements would not cover the other information and we do not express an opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Due to the significance of the matter described in the *Basis for disclaimer of opinion* section of our report, and the possible consequential effect on the related disclosures in the other information, whilst in our opinion the other information included in the Statement of Accounts for the financial year is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information.

The Director of Finance (S151) and Performance, Governance and Audit Committee's responsibilities

As explained more fully in the statement set out on page 16, the Section 151 Officer is responsible for the preparation of financial statements in accordance with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the government of the intention to either cease the services provided by the Council or dissolve the Council without the transfer of its services to another public sector entity.

The Performance, Governance and Audit Committee of the Council is responsible for overseeing the Council's financial reporting process.

Auditor's responsibilities

Our responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing (UK), and to issue an auditor's report. However, due to the significance of the matter described in the *Basis for disclaimer of opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

We have fulfilled our ethical responsibilities under, and are independent of the Council in accordance with, UK ethical requirements including the FRC Ethical Standard.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

Report on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the "NAO Code of Audit Practice"), we are required to report to you if we identify any significant weaknesses in the arrangements that have been made by the Council to secure economy, efficiency, and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Council is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are required under section 20(1) of the Local Audit and Accountability Act 2014 to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We are also not required to satisfy ourselves that the Council has achieved value for money during the year.

We planned our work and undertook our review in accordance with the NAO Code of Audit Practice and related statutory guidance, having regard to whether the Council had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the NAO Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make written recommendations to the Council under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in this respect.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the members of the Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Council, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT

As at the date of this audit report, we are unable to confirm that we have completed our work in respect of the Council's Whole of Government Accounts consolidation pack for the year ended 31 March 2025 because we have not received confirmation from the NAO that the NAO's audit of the Whole of Government Accounts is complete.

Until we have completed this work, we are unable to certify that we have completed the audit of the Maldon District Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO Code of Audit Practice.

Emma Larcombe

Emma Larcombe
for and on behalf of KPMG LLP
Chartered Accountants
20 Station Road, Cambridge,
CB1 2JD
26 February 2026



SECTION – 6
ANNUAL GOVERNANCE STATEMENT

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Achievements for 2024/25

Over the financial year, the following governance framework improvements have taken place:

- Improvement on volume of deferred decisions from 23/24 (possibly supported by the additional member briefings that have taken place in the year)
- Decision to implement a Chief Executive post and Deputy Chief Executive, with agreement of associated constitutional updates allowing for transition of [delegated](#) power on the December 'go live' date
- New Corporate Plan agreed in December 2024
- Completed delivery of majority of finance peer review actions
- Improvements to performance reporting to allow for greater accountability, [with exceptions reported through Performance, Governance and Audit Committee](#) (PGA) (e.g. e-learning)

Internal audit summary – supplied by BDO

The role of internal audit is to provide an opinion to the Council, through the Performance, Governance and Audit Committee, on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed. The annual report from internal audit provides an overall opinion on the adequacy and effectiveness of the organisation's risk management, internal control, and governance processes, within the scope of work undertaken by BDO LLP as outsourced providers of the internal audit service. It also summarises the activities of internal audit for the period. The basis for forming the opinion is as follows:

- An assessment of the design and operation of the underpinning Assurance Framework and supporting processes.
- An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year
- This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses; and any reliance that is being placed upon third party assurances.

Overall, at the time of drafting this statement, BDO LLP can provide moderate assurance that there is a sound system of internal control, designed to meet the Council's objectives and that controls are being applied consistently. In forming this view, they have considered that:

- In the last 12 months (including three audits that were at draft report stage from the 2024/25 internal audit plan), seven out of eight audits provided either Substantial or Moderate assurance over the design of controls (Substantial: five, Moderate: two). These figures include three audits from the 2023/24 internal audit plan and five from the 2024/25 internal audit plan.
- In the last 12 months (including three audits that were at draft report stage from the 2024/25 internal audit plan), six out of eight audits provided either Substantial or Moderate assurance over the operational effectiveness of controls (Substantial: two, Moderate: four).
- During 2024/25, one audit that focused on GDPR has provided a Limited assurance opinion for both the design and operational effectiveness of controls and a Health and Safety audit provided a Limited assurance opinion on the effectiveness of the controls. Furthermore, these reviews were specifically chosen to identify areas for improvement by management.
- Generally, these outcomes are consistent with outcomes for previous years where a Moderate assurance rating is provided.
- Furthermore, during the period we have undertaken one advisory Strategic Fraud review at the request of management. While findings were raised as part of this review, they are advisory in nature and offer actions to support the Council to enhance current controls.

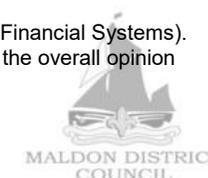
Some areas of weakness have been identified through our reviews, including opportunities for improvement in areas of GDPR, specifically relating to the Record of Processing Activities and Third-Party Data Sharing as well as Health and Safety, with recommendations to address improvements relating to Risk Assessments and Inspection of Sites. However, the Council is already working to address the issues identified.

The Council have implemented most previously raised internal audit recommendations, with only one recommendation overdue from 2021/22 (this is based on our last follow up exercise conducted in December 2024). The recommendation outstanding is for Management of Property and has a revised implementation date of 31/03/2025 and work is on track to complete the actions by this date per current management updates. There are no other overdue recommendations.

There are currently four remaining reviews from the 2024/25 internal audit plan to complete (Business Continuity and Disaster Recovery, Building Control, Asset Management and Main Financial Systems). While fieldwork is yet to be complete, based on scoping and work completed to date, we do not expect to identify any significant issues, and it is unlikely that their outcomes will change the overall opinion outlined above

Action plan for 2025/26

Based on the governance assessment in this report, the following actions will take place in 2025/ 26 to further strengthen our governance.



| Action | Owner |
|--|---------|
| Draw out and link all of our policies and their objectives through a review of the Local Development Plan (LDP) (e.g., Corporate Plan, climate change) * | MW |
| Build engagement and information sharing with Parish Councils as part of the Local Development Plan review work through the new Parish and Town Council Engagement Forum (Matt)* | MW |
| Communications and roll out of whistleblowing policy and procedure | AC |
| Delivery of finance peer review actions (tracked through SharePoint) | BC / CH |
| Review governance housekeeping matters through the Performance, Governance and Audit working group | PD |
| Build on member induction process and training plan in collaboration with the member training and development working group | CH |
| Include e-learning to balance scorecard reporting, so that completions for staff and members is clear, particularly around governance areas such as risk management. | EH / CH |

Background information

Our arrangements for Governance support

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At Maldon District Council, our Governance arrangements are underpinned by a mix of business and operational management, oversight and support activities and independent assurance. The activity is fed into the PGA and then into full Council.

An analysis of this work and the plan for the following year is what forms the Annual Governance Statement.

Progress made on last Annual Governance Statement (AGS) actions -

In the 23/24 AGS, although no significant issues were identified, we developed an action plan based on best practice for Governance arrangements. These actions have been tracked and reported to the PGA 9 Annual Governance Statement Actions Update.pdf

Some of these actions are captured in the action table above as they continue to be relevant.

CIPFA (the Chartered Institute of Public Finance and Accountancy) / SOLACE (The Society of Local Authority Chief Executives) 'Delivering Good Governance in Local Government framework - 2016 Edition' good practice guidance, highlights seven key areas for good corporate governance, as shown in the diagram below:





Additionally, the Financial Management Code highlights a governance best practice that 'The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control' (Financial Management code Standard C). Later in the document, we will also comment on the Council's arrangements for this practice.

This year, the following activity has taken place within the Governance Framework:

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A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the ru

A committee structure as set out below has been in place in 2024/25

Membership of the Overview and Scrutiny Committee is separate from the programme committees to encourage robust scrutiny and separation. All Members are able to submit suggestions for scrutiny items. A Working Group of the committee considers these in detail and recommends back to the committee suggested workplan items and courses for scrutiny suggestions. All members of Committee sit on the Working Group, which is scheduled monthly.

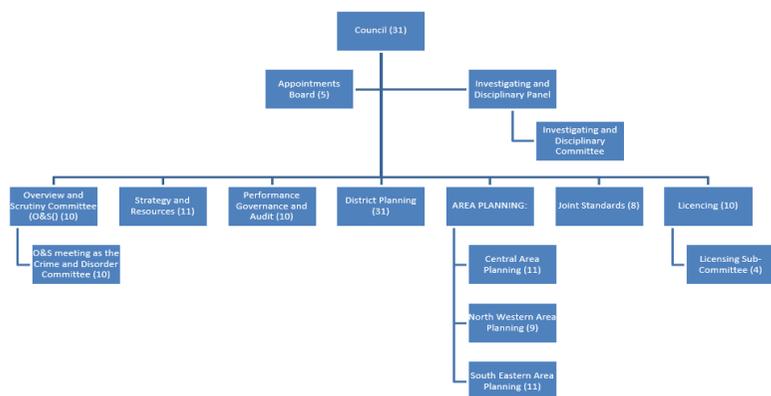
There were two direct member forms referral received (Cemeteries and Woodham Mortimer planning), and two items that rolled over (sensory garden and commercial land), as well as a referral made by the Corporate Leadership Team (CLT) (splash park Private and Confidential (P&C) action follow up). The annual report of Overview and Scrutiny activity will provide further detail on this.

A Working Group of five members of PGA was established in March 2023 to complete detailed review work. In June 2024 this Working Group was appointed as part of the annual reset of Committees.

On 11 July 2024, an Independent Person of the PGA was appointed

Additionally in 2024/25, the Council has established a Boundary Commission Review working group, following engagement from the Boundary Commission who have commenced a review of Maldon's ward boundaries as this has not taken place since 2000. This working group also consider governance arrangements and future requirements as part of the response to the Boundary Commission.

1. MALDON DISTRICT COUNCIL COMMITTEE STRUCTURE



Of the 2023/24 of the pending decisions highlighted in previous AGS, one was found to be a breach of the code of conduct which was reported to JSC in December. The other case is still ongoing. In 2024/25 there have been 13 complaints received to date.

Two complaints were combined (with one from 2023/24) and a breach was found which was reported to the Joint Standards Committee (JSC) in December 2024.

One complaint was investigated with no breach found which was reported to JSC in December 2024.

Four complaints no breach was found.

Three complaints didn't engage the code of conduct

Two complaints are pending. one of which looks at two complaints.

Committee meetings continued to run with a live YouTube stream, in 24/25. All previous and live streams can be viewed at Maldon District Council - YouTube.

Across all Committees, the live stream averaged around 129 views, with the public also able to view from the chamber should they wish. (This is an increase from an average of 90 views in 2023/24).

The Council has a Whistle Blowing Policy, which was refreshed and accepted by the Strategy and Resources Committee in November 2023. It sets out the arrangements for employees to disclose allegations of malpractice internally, in relation to staff, Members, contractors, suppliers or consultants in the course of their work for the Council, without fear of victimisation, discrimination or disadvantage.

The Council launched an Annual Staff survey in December 2019, and ran this for the fifth time in November 2024, with a response rate of 65%, this is a decrease of 1% on the previous year. The survey gives honest areas of staff feedback for management to address and allows the organisation to review areas of improvement or reduction in satisfaction between years.as part of the launch of the 2024 survey, we also highlighted the specific actions that have been put in place off the back of previous year's feedback.

The Council has adopted a number of codes and protocols which set out the parameters for the way in which it operates, in particular a Member / Officer Relations Protocol intended to clarify roles and promote effective communication. As part of the May 2023 all member Onboarding process, we included digital copies of these codes in the induction pack and covered them as part of the member onboarding day. The induction pack has been added to all member desktops in 2023/24, as a reference guide.

The Council's Financial Regulations provide the framework for managing the Council's financial affairs. They identify the financial responsibilities of the Council, the Committees, and key officers. The Section 151 Officer (S151) (under the Local Government Act 1972) is responsible for ensuring that sound financial management systems are maintained, and expenditure is lawful and appropriate. On 28 May 2024 the Council agreed to a Corporate Structure review, with a Chief Executive, Deputy Chief Executive and Director of Finance (S151) in place instead of previously listed Director posts.

On Thursday 30 July 2024 the Council agreed appointment of a Chief Executive, and on Thursday 14 November 2024 the Constitutional delegations were updated at the Council meeting, allowing the new structure to go live in December.

The Council's constitutional arrangements include a Code of Conduct for elected Members based on the Principles of Public Life (the Nolan Principles). The LGA model code of conduct was adopted by Maldon District Council (MDC) in June 2022.

Officers are subject to a Code of Conduct, the policy for which was adopted with effect from 18 November 2013 and last revised in April 2018.

Registers of gifts and hospitality are maintained for both Members and Officers. A statutory register of interests is maintained for Members, and the staff Code of Conduct requires staff to disclose interests. Periodic reminders are issued about the need to avoid potential conflicts of interest and protocols for the acceptance of gifts and hospitality.

The Council has a series of approved policies and strategies relating to good governance, including, for example, the Code of Corporate Governance, anti-fraud and corruption, whistle-blowing, data quality, Freedom of Information, and corporate equality policies, all of which are accessible via the Council's SharePoint system.

BDO LLP under their remit of Internal Auditors consider fraud as part of their audit workplan. This ensures we conform to the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014).

A set of corporate values are in place for staff which include to 'act ethically and with integrity'.

Our Values

- Have a customer focus
- Be respectful to others
- Act ethically and with integrity
- Be innovative
- Be ambitious
- Be open and transparent
- Be accountable for our actions
- Collaborate to deliver.



B. Ensuring openness and comprehensive stakeholder engagement

We ran the annual residents survey in October, which was available online, and promoted through communications. Specific questions in the survey are used to measure the delivery of the Corporate Plan outcomes. A key concern in 2021/22 was the low response rate to this survey, we have built on this in the years since, with 350 the target for a representative sample, and in the 2024 survey we received 454 responses

The Council additionally ran the annual staff survey which gives internal stakeholder feedback and saw a response rate of 65% of staff.

Public are invited to speak at committee meetings, and with meetings held in a hybrid set up the Council has also had provision for online participation to improve access.

The Council has an internal audit plan, which reviews its controls and risk and provides opportunity for improvements to be identified and addressed. In 2024/25 two audits have been completed and a further three are at draft report stage in the areas of:

- Health and Safety
- Capital and Commercial Project Management
- Health and Wellbeing
- Contract Management
- General Data Protection Regulations (GDPR)

Reviews are ongoing for

- Business Continuity and Disaster Recovery
- Building Control
- Asset Management
- Main Financial Systems

The Council engages with the appropriate equality groups in order to ensure that it meets its obligations under the Equality Act 2010. The Council produces Equality Impact Assessments (EIA) in line with legislation. In March 2022, key officers were given refresher training around EIA documentation. All staff are required to complete mandatory Equality Diversity and Inclusion training within 3 months of induction and refresher training each year as part of the Council's commitment to equality.

An internal audit was commissioned during 2023/24 which found that the Council's EIAs were as required. Additional training on EIA's will be commissioned in 2025.26 for key managers where EIAs are required

In March 2022, a web area was developed to publish delegated decisions by officers and improve visibility both internally and externally for this area. There is an internal mechanism for officers to record decisions that are made and this area to be updated quarterly by the Programmes, Performance and Governance Team. The link to access this is www.maldon.gov.uk/decisions

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

The Council continues its quarterly corporate performance reporting which is reported to the PGA and that measures the delivery of the outcomes in the Corporate Plan.

Following all Member feedback and engagement work, a revised Corporate Plan was adopted by Council in December 2024 Our Corporate Plan | Corporate Plan 2025 - 2028 | Maldon District Council.

The Council's five priorities are:

- Supporting our communities
- Investing in our district
- Growing our economy
- Protecting our environment
- Delivering good quality services

Corporate performance reporting will be further revised in 2025 to align to the priorities, and developed with PGA Member feedback.

The latest quarterly performance (tracking the previous Corporate Plan due to timelines) can be seen at democracy.maldon.gov.uk/documents/s37517/Appendix 1.pdf

The Corporate Plan details the vision, goals, and objectives that guide the direction, work and achievements of the authority. It is the Council's core internal strategic planning document, from which supporting strategies can be developed and published, including the Medium-Term Financial Strategy (MTFS), ICT Strategy and Workforce Development Plan, all of which underpin the Council's ambition to transform the way it delivers its services in the future.

The Committee report template has been updated in 2024/25, to ensure that the Council reflects on the impact to its corporate priorities in each report.



At an operational level, each service produces a service plan. These are not submitted to Committee but facilitate effective performance and risk management within the Directorates including the setting of individual staff objectives and completion of performance reviews. The service plans are kept in a central internal SharePoint system, and actions have monthly owner updates, and the service manager provides a monthly highlight report with exceptions for CLT, as a way to manage service plan performance issues dynamically. Exceptions to delivery are reported to the Performance Governance and Audit Committee through the Balance Scorecard exceptions report.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

In 2023/24, the LGA completed a finance peer review. Findings were reported to members and an associated action plan accepted which delivery continued against in 2024/25. Of the 42 actions identified, five currently remain open.

The PGA is provided with a quarterly performance report for delivery of the Corporate priorities. They are invited to challenge and focus delivery of these.

The CLT is committed to regular review and updating of the Corporate Risk Register to identify areas of risk to service delivery, and Risk Reporting is also quarterly reviewed and challenged by the PGA project board and monthly CLT steering board (which reviews project sign off and closure). There is monthly oversight and reporting of projects, and where appropriate, risks and issues can either be addressed or escalated further to Members as part of wider Risk and performance reporting. In 2024/25 further developments have been made to the Council's PMO processes and the support and guidance available to project managers, as part of its continual improvement programme. The process improvement team also produce monthly performance reporting to show the areas that have been supported, and improvements in efficiency and customer experience. As part of this, a review of the customer feedback on the Council's online forms which receive low satisfaction ratings is used to drive further improvement work and ideas

In 2024, an ICT strategy for 24-27 was adopted Appendix 2.pdf this also drives a vision for the Council's technology and processes for the next three years. In 2024/25 work continues to take place to profile the Council's IT systems and their plan for long term usage, support and data management. This will help inform a revision for the IT strategy due for revision in 2026/27

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

In 2020/21, the Council put in place a new process for linking the Corporate Plan objectives, through to delivery right down to the individual staff. Now that the Corporate Plan has been refreshed, the diagram below shows how this then links down to team service plans, and individual staff objectives. In January 2023, a refreshed service plan template was issued to the management team to reflect Corporate changes, as previously set out in section C.

In 2023/24, the Council started monthly highlight reporting processes, where the Assistant Directors are now responsible for delivery of a monthly tracker report and reporting highlights and lowlights to the CLT. Exceptions to these are reported to the PGA through the Balance Score Card exceptions.



To underpin objectives, and support staff and members in delivery of their role, the Council has also developed and delivered:

- Key strategies to define delivery that have been live in 2023/24 including a data and insight strategy, a procurement strategy, an asset management strategy, business continuity strategy and a comms, marketing and engagement plan.
- Digital access for refreshers to the full member onboarding programme following elections of our 31 Members in May 2023. Drop-in sessions for Members to address any technology queries ahead of full council meetings.
- Close work with the Member Training and Development Working Group to identify and respond to training needs.
- Member Chairperson and Vice-Chairperson training following the Annual Council meeting in May 2023.
- Regular briefings for Members, topics of which were covered in 2023/24 were: Local Government Review, Budget, commercial projects, Five-year Housing Land Supply, Local Development Plan Review and the Boundary Review.
- Structure review of the senior leadership, with new Chief Executive and Deputy Chief executive posts put into place and associated constitutional updates for transfer of powers.
- Lean Six Sigma (process improvement) training for staff.
- PMO support for project managers and the senior leadership team, including measuring project performance and outcome delivery.
- Key process support documents on our internal Freshservice system that define process steps and act as training and handover guides. A new officer exit process and sickness process put into place to strengthen business continuity.

F. Managing risks and performance through robust internal control and strong public financial management

Maldon District Council has a drive to be more performance-led. This year the Council has continued to develop its monthly internal Balance Scorecard report for Senior Management review and scrutiny, and started rebuild of Corporate performance reports which will be based on Member feedback, latest system developments and the revised Corporate Plan.

From January 2021, a six-monthly report of operational exceptions from the Balance Scorecard has been reported to the PGA. In 2024/25 this also has included e-learning statistics and compliance on corporate training has seen improvement accordingly.

The data and insight strategy was adopted in 2023, and an action plan to deliver this has been established and progressed in 2024/25. This includes actions such as:

- A review of the Council's IT systems and reporting capability.
- Close work with IT and development of revised IT strategy due in 2024.
- Development of PMO and using business improvement resource to support quantifying project delivery outcomes.
- Building resource within the Council's mapping (GIS system) to improve data access and automate processes (e.g. enforcement data access).

This year the Council has worked to the Risk Management Policy that was adopted in September 2022, and will be due for revision in 2025/26.

A link to recorded risk training is provided for new staff onboarding and the Programmes, Performance and Governance team support staff with specific risk management queries and support. The team have also rolled out all staff and member e-learning.

A Quarterly Corporate Risk register review goes to the PGA

Risks are a regular item of discussion in the monthly Extended Leadership Team meetings and Service Management Meetings.

Risks to the Council's financial position could potentially arise from a number of factors including unplanned budget overspends, underachievement of income, contractual / legislative failure, a shortfall in forecast business rates growth or challenge and emergency events. Historically, the Council's outturn has been within budget; however, robust budget management, monitoring and reporting will be a key discipline for all budget managers and ensuring that savings and income assumed included within the budget are achieved, will remain an essential focus.

The level of risk posed by contractual or legislative failure and emergency events is difficult to predict, but General Balances are held to mitigate against this possibility. In addition, financial bonds / Parent Company Guarantees are being built into large contracts where appropriate.

It is important to recognise that under the Business Rates Retention Scheme, there is a considerable degree of uncertainty in the forecast for business rates growth as much of it depends on external factors including the impact of successful appeals. The Council's own economic development policies can have an impact on business rates growth and therefore it is important that the planning services, economic development services and the business rates service have a co-ordinated approach to inward investment policies.

The current cost of living crisis could affect households' and businesses' ability to pay Council Tax and National Non Domestic Rates (NDR) respectively. This places a risk on local taxation collection rates.

The new Waste contract begins in February 2024, and will need to be in. Waste contract income is driven by recycling tonnage and prices, which are volatile; therefore, income assumed in the MTFS for this contract is based on best known estimates.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

There were a number of deferrals in Council and Committee decision making in 2023/24 and this was particularly high volume following the May 2023 election and outcome of no overall control politically. The original agenda for the Statutory Annual Council was dealt with across three meetings following the deferrals. There have also been a number of decision-making papers deferred several times at Council meetings.

The LGA has been facilitating and supporting key members and officers to support committee-based decision making in the circumstances of no overall control, as this has proved a governance challenge for Maldon in 2023/24.

The Council committed to continue to build on this in 2024/25, as Maldon has a four-year election cycle. In 2024/25 there were some deferrals again, such as with the Leisure Contract, but the volume of these has seen improvement since 2023/24.

All Committee meetings are open for the public to attend. In 2024/25 the Council also continued to live stream all committee meetings via YouTube <https://www.youtube.com/@maldondc/streams>. Since late 2021, the Council has been able to accept attendance via MS Teams and has been running hybrid meetings to support preferences of those involved. Updates to the Constitutional and procedural documents have been made to allow for these arrangements.

The Council publishes its delegated decisions, which are updated quarterly at www.maldon.gov.uk/decisions

This year the Council ran quarterly performance reporting to align it to the corporate outcomes defined in the Corporate Plan. In December 2024, a new Corporate Plan was approved, and work has started to realign Corporate Performance to the new Corporate Plan.

Members are invited to review the performance information and challenge where they feel delivery of the Corporate Plan outcomes is at risk. The internal process around producing this performance documentation also allows greater visibility for the senior managers around how staff are progressing agreed action plans.

An internal audit plan is defined according to areas of Corporate Risk. The Council has a quarterly update of internal audit progress, including audit actions due with officers, and this is reported to the PGA.

‘The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control’ (Financial Management code Standard C)

The CIPFA financial management code also highlights this point in addition to compliance with the 2016 delivering good governance in local government as set out above.

CIPFA believes that the strength of financial management within an organisation can be assessed by a hierarchy of three ‘financial management (FM) styles’

- delivering accountability.
- supporting performance.
- enabling transformation.

| Delivering accountability | Supporting performance | Enabling transformation |
|--|---|---|
| <ul style="list-style-type: none"> • The introduction of Assistant Director posts in 2023/24, with clear areas of accountability linked to these. • Additionally, a new Chief Executive and Deputy Chief executive post were agreed in 2024/25. • Leadership development of key members and officers. • Member training programme including specific Chairperson sessions, and close working with Member Training Working Group. | <ul style="list-style-type: none"> • Service plan templates and monthly highlight / exceptions reporting mechanism. • Quarterly performance reporting against corporate plan delivery. • Monthly operational performance reporting through balance scorecard and six-monthly exceptions reports for Committee. • Running an annual resident survey and using analysis to inform <u>Corporate</u> plan delivery. • Running an annual staff survey to look at areas of organisational improvement. | <ul style="list-style-type: none"> • Permanent process improvement resource to support improvement project delivery. • Quarterly improvement reports to track progress. • Robust project management office approach to support project delivery. • Learning from best practice and adopting recommendations in internal audit and peer review work. |



CONCLUSION

The Council is satisfied that appropriate governance arrangements have been maintained in 2024/25. These have been successfully adapted and reviewed as a response to changes in circumstance and wider governance arrangements. The Council has also continued to build on good practice around governance and will move to develop this further in 2025/26.

The Council, recognises however that these arrangements are designed only to manage risk down to a reasonable level and cannot provide absolute assurance that the Council will successfully deliver all of its policies, aims and objectives, and will continually monitor and refresh performance and risk reporting throughout the year to address issues that arise.

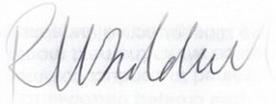
The Council remains committed to maintaining and where possible improving these arrangements, by:

- Addressing issues identified by Internal Audit and the small number of actions remaining from the 2023/24 Finance peer review.
- Focussing on key risks and areas for improvement.
- Continuing regular, open and transparent engagement with local people.
- Training and enabling staff and Members to work within good governance frameworks.
- Updating key governance frameworks in the year e.g. Risk Management Framework.





Signed on behalf of Maldon District Council:



Councillor Richard H Siddall
Leader of Council



Doug Wilkinson
Chief Executive

Date: 26th February 2026

Date: 26th February 2026

SECTION – 7
GLOSSARY OF FINANCIAL TERMS



GLOSSARY OF FINANCIAL TERMS

For the purposes of compiling the Statement of Accounts the following definitions have been adopted:

ACCOUNTING POLICIES

These principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- recognising;
- selecting measurement bases for; and
- presenting assets, liabilities, gains, losses and changes to reserves

ACCRUALS CONCEPT

Income and expenditure is recognised where it is earned or incurred, not when money is received or paid.

ACCUMULATED ABSENCES

Holiday entitlements, or any other form of leave such as time off in lieu earned by employees, which has not been taken by the end of the financial year and can be carried forward to the next financial year.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, actuarial gains and losses are the changes in the actuarial surplus/deficits which arise because either events have not coincided with previous actuarial assumptions or where actuarial assumptions have changed.

ACTUARY

An expert who advises on the cost of pensions and determines whether the Pension Fund is adequate to meet its commitments.

AMORTISATION

Spreading the cost of an intangible asset over the expected periods of its use and benefit to the Council.

APPROPRIATIONS

The transfer of resources between revenue/capital accounts and the reserves held by the Council.

ASSETS HELD FOR SALE

Non-current assets which are no longer required by the Council and are marketed for sale/disposal.

BALANCE SHEET

This statement is fundamental to the understanding of an authority's financial position at year end. It shows:

- the balances and reserves at an authority's disposal
- long-term indebtedness (which is over one year)
- the long-term and net current assets employed in its operations
- summarised information on the long-term assets (items that are held for more than one year) by category



GLOSSARY OF FINANCIAL TERM (continued)**CAPITAL ADJUSTMENT ACCOUNT (CAA)**

An account which reflects the timing difference between the charges to the CIES account for the use of non-current assets to provide services over a number of years, and actual funds set aside to pay for the original cost of assets.

CAPITAL EXPENDITURE

Expenditure relating to the acquisition or enhancements of property, plant & equipment assets, heritage assets, intangible assets and investment property and certain other items meeting the definition of capital expenditure under statute.

CAPITAL FINANCING REQUIREMENT(CFR)

This is a measure of the Council's need to borrow funds to pay for capital expenditure.

CAPITAL RECEIPTS

Proceeds from the sale of an asset. Sums received and not yet used for further capital expenditure are held in the Usable Capital Receipts reserve.

CAPITAL PROGRAMME

The Council's budget for capital expenditure and resources over the current and future years. Income generated from the sale of capital assets and the repayment of grants/loans given for capital purposes. The government prescribes the amount of the receipt which must be set aside to repay debt and the usable amount which may be used for finance capital expenditure.

CASH AND EQUIVALENTS

Cash available at immediate notice and short-term investments readily convertible to cash without risk to the principal sum.

COLLECTION FUND

A fund administered by the Council recording receipts from Council Tax and Business Rates, and payments to the General Fund and other public authorities, including Central Government.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

A statement that reports the net cost for the year of all the functions for which the authority is responsible and demonstrates how that cost has been financed from general government grants and income from taxpayers. The most obvious difference from the Income and Expenditure Statement (which, under IFRS, it replaces) is that it now includes the Statement of Total Recognised Gains and Losses (STRGL).

CONDITION

With reference to grants, a condition typically means that the grant awarding body may ask for it back if it is not used for a stated purpose. This is not the same as a specific grant, which is given for a specific purpose but which may legally be spent on something else if the recipient sees fit.

Grants may either be "with conditions" or "without conditions" – the nearest equivalent terms previously used were "ring fenced" and "non-ring fenced."

CONTINGENT ASSET AND LIABILITY

A contingency is a condition which exists at the balance sheet date, the outcome of which depends on one or more uncertain future events and which cannot, therefore, be reliably or accurately estimated. Contingencies in the council's favour are called contingent assets; contingencies which, if realised, would incur a cost to the council are called contingent liabilities.



GLOSSARY OF FINANCIAL TERM (continued)**DEPRECIATION**

The measure of wearing out, consuming, or other reduction in the useful economic life of a fixed asset, whether arising from use, passing of time or obsolescence. It means that, rather than the whole cost of an asset being charged to revenue in the year in which it is acquired, the cost is spread out over the life of the asset.

FAIR VALUE

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

GENERAL FUND (GF)

The account that summarises the revenue cost of providing services that are met by the council's demand on the collection fund, specific government grants and other income.

MATCHING

The matching concept says that expenditure and income transactions, including accruals, are matched with one another so far as their relationship can be established, or justifiably assumed, and dealt with in the period to which they relate.

MINIMUM REVENUE PROVISION (MRP)

The minimum revenue provision (MRP) is the minimum amount that must be charged to an authority's revenue account each year and set aside as a provision for debt repayment or other credit liabilities.

MOVEMENT IN RESERVES STATEMENT (MIRS)

This replaces the Statement of Movement on the General Fund Balance (SMGFB), reconciling the Comprehensive Income and Expenditure Statement for the year with the authority's budget requirement, which is governed by statute and differs in certain key respects from accounting conventions.

PROVISION

Amounts set aside for any liability or loss that is likely to be incurred, but where the exact amount and date is uncertain.

PRIVATE FINANCE INITIATIVE (PFI)

PFI offers a form of Public-Private Partnership in which local authorities do not buy assets but rather pay for the use of assets held by the private sector.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation or enhancement of Council Owned assets.

RESERVES

Funds set aside to meet future expenditure which falls outside the definition of provisions. Reserves can be for general contingencies and to provide working balances or earmarked for specific future expenditure.

Note that certain reserves are statutory in nature – for example, the council is obliged to hold a revaluation reserve and its use is closely prescribed under the IFRS as interpreted for use in local government. The council has no discretion in the existence or use of these reserves.



GLOSSARY OF FINANCIAL TERM (continued)**STATUTORY PROVISION FOR THE FINANCING OF CAPITAL INVESTMENT**

Formerly known as the Minimum Revenue Provision (MRP), this is the minimum amount that must be charged to a local authority's revenue account each year and set aside to provide for debt repayment or other credit liabilities.

SUBSTANCE OVER FORM

The concept of substance over form requires that transactions and other events are accounted for and represented in financial statements with regard to their economic substance and financial reality rather than just their legal form.

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**REPORT of
CHIEF FINANCE OFFICER**

**to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 MARCH 2026**

INTERNAL AUDIT REPORTS

1. PURPOSE OF THE REPORT

- 1.1 To present for consideration, comment, and approval by the Committee the following reports issued by BDO LLP, the Council's Internal Audit service provider:
- Progress Report (March 2026) – at 9a;
 - Follow-Up of Recommendations Report (March 2026) – at 9b;
 - Management of Property Final Report (February 2026) at 9c;
 - HR System Review Final Report (October 2025)– at 9d;
 - Food Safety Final Report (February 2026) – at 9e;
 - Safeguarding Final Report (January 2026) – at 9f.

2. RECOMMENDATIONS

That the Committee considers, comments, and approves the following:

- (i) Progress Report (March 2026) – at 9a;
- (ii) Follow-Up of Recommendations Report (March 2026) – at 9b;
- (iii) Management of Property Final Report (February 2026) at 9c;
- (iv) HR System Review Final Report (October 2025)– at 9d;
- (v) Food Safety Final Report (February 2026) – at 9e;
- (vi) Safeguarding Final Report (January 2026) – at 9f.

3. SUMMARY OF KEY ISSUES

- 3.1 BDO LLP are the Council's contracted Internal Audit Service provider. The Partner, Mr. Aaron Winter, fulfils an equivalent role to that of Head of Internal Audit for the Council.
- 3.2 The Internal Audit Service provides assurance to the Chief Finance Officer, management and Members of the adequacy of internal controls and checks in the organisation and highlights any risks that the Council may be exposed to in its operations.

3.3 As such, Internal Audit is independent of management and operates within the UK Public Sector Internal Audit Standards (PSIAS) issued by the CIPFA.

4. CONCLUSION

4.1 This report allows the Committee to fulfil its remit of overseeing governance.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Internal Audit cuts across the delivery of all priorities in the Corporate Plan.

6. IMPLICATIONS

- (i) **Impact on Customers** – Any impact on customers will be highlighted with the reports in the appendices.
- (ii) **Impact on Equalities** – Any impact on equalities will be highlighted with the reports in the appendices if it is within the scope of the audit work carried out.
- (iii) **Impact on Risk (including Fraud implications)** – Any risks identified as a result of the findings of the internal audit work are highlighted with the individual reports and summarised in the Progress Update and Follow Up of recommendations reports.
- (iv) **Impact on Resources (financial)** – Same comment applies here as for Impact on Risk above.
- (v) **Impact on Resources (human)** – Same comment applies here as for Impact on Risk above.
- (vi) **Impact on Devolution / Local Government Reorganisation** – None.

Background papers: None.

Enquiries to:

Ben Jay, Chief Finance Officer, Maldon District Council

Aaron Winter (BDO LLP)

Andrew Billingham (BDO LLP)

Maldon District Council
Internal Audit Progress Report
March 2026



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Summary of 2025/26 Work

Internal Audit

This report is intended to inform the Performance, Governance and Audit Committee of progress made against the 2025/26 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Global Internal Audit Standards in the UK Public Sector. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

Internal Audit methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report and are based on us giving either 'substantial', 'moderate', 'limited' or 'no' opinion. The four assurance levels are designed to ensure that the opinion given does not gravitate to a 'satisfactory' or middle band grading. Under any system we are required to make a judgement when making our overall assessment.



Internal Audit plan 2025/26

We are now making good progress in the delivery of the audit plan approved on 20/02/2025.

We are pleased to present the following final reports to this Performance, Governance and Audit Committee meeting:

- ▶ **HR System Review**
- ▶ **Safeguarding**
- ▶ **Management of Property**
- ▶ **Food Safety**

Fieldwork is in progress in respect of the remaining three audits from the plan:

- ▶ **IT Governance** - Fieldwork started 04/12/2025
- ▶ **Medium Term Financial Strategy** - Fieldwork started 05/01/2026
- ▶ **Main Financial Systems - Accounts Payable** - Fieldwork started 13/02/2026

We anticipate presenting these reports at future Performance, Governance and Audit Committee meetings.

Changes to the 2025/26 internal audit plan

The **Local Government Review** audit has been deferred from the 2025/26 plan at the request of management, given the status of Local Government Reorganisation and the value a review would add now. This was replaced with a review of the **Medium-Term Financial Strategy** (fieldwork started in January).

Internal Audit plan 2026/27

Discussions are ongoing regarding the 2026/27 plan and this will be presented to a future Performance, Governance and Audit Committee.

Review of 2025/26 Work

| AUDIT | AUDIT COMMITTEE | PLANNING | FIELDWORK | REPORTING | DESIGN | EFFECTIVENESS |
|--------------------------------|-----------------|----------|-----------|-----------|--------|---------------|
| Waste and Recycling | November 2025 | ✓ | ✓ | ✓ | S | M |
| Corporate Governance | November 2025 | ✓ | ✓ | ✓ | S | M |
| HR System Review | March 2026 | ✓ | ✓ | ✓ | L | M |
| Safeguarding | March 2026 | ✓ | ✓ | ✓ | M | M |
| Management of Property | March 2026 | ✓ | ✓ | ✓ | M | M |
| Food Safety | March 2026 | ✓ | ✓ | ✓ | S | S |
| IT Governance | June 2026 | ✓ | ✓ | | | |
| Medium Term Financial Strategy | June 2026 | ✓ | ✓ | | | |
| Main Financial Systems | June 2026 | ✓ | ✓ | | | |

Key Performance Indicators

| QUALITY ASSURANCE | KPI | RAG RATING |
|--|---|---|
| 1. Annual Audit Plan delivered in line with timetable | We remain on track to deliver this for 2025/26. |  |
| 2. Actual days are in accordance with Annual Audit Plan | We are on track to meet this KPI. |  |
| 3. Customer satisfaction report - overall score at least 3.5 for surveys issued at the end of each audit | Since 2021 the average score received on satisfaction surveys is 4.47. |  |
| 4. Annual survey to PGA committee to achieve score of at least 70% | This was issued following the presentation of the annual report. We are awaiting responses. |  |
| 5. At least 60% input from qualified staff | We are on target to meet this KPI during 2025/26. |  |
| 6. Issue of draft report within three weeks of fieldwork closing meeting | This KPI has been met for the six completed audits for 2025/26. |  |
| 7. Finalise internal audit report one week after management responses to report are received | This KPI has been met for the six completed audits for 2025/26. |  |
| 8. 90% of recommendations to be accepted by management | This KPI has been met for the six completed audits for 2025/26. |  |
| 9. Information is presented in the format requested by the customer | This KPI has been met for the six completed audits for 2025/26. |  |
| 10. High quality documents produced by the auditor that are clear, concise and contain all the information requested | This KPI has been met for the six completed audits for 2025/26. |  |
| 11. Positive result from external review | Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO were found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards. |  |

Appendix 1

OPINION SIGNIFICANCE DEFINITION

| LEVEL OF ASSURANCE | DESIGN OPINION | FINDINGS FROM REVIEW | EFFECTIVENESS OPINION | FINDINGS FROM REVIEW |
|--|--|---|---|--|
|  Substantial | Appropriate procedures and controls in place to mitigate the key risks. | There is a sound system of internal control designed to achieve system objectives. | No, or only minor, exceptions found in testing of the procedures and controls. | The controls that are in place are being consistently applied. |
|  Moderate | In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective. | Generally, a sound system of internal control designed to achieve system objectives with some exceptions. | A small number of exceptions found in testing of the procedures and controls. | Evidence of non-compliance with some controls, that may put some of the system objectives at risk. |
|  Limited | A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year. | System of internal controls is weakened with system objectives at risk of not being achieved. | A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year. | Non-compliance with key procedures and controls places the system objectives at risk. |
|  No | For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Poor system of internal control. | Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Non-compliance and/or compliance with inadequate controls. |

RECOMMENDATION SIGNIFICANCE DEFINITION

| RECOMMENDATION SIGNIFICANCE | |
|---|--|
|  High | A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently. |
|  Medium | A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action. |
|  Low | Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency. |

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The matters raised in this report are only those which came to our attention during our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

Maldon District Council

March 2026

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SUMMARY

| | Total Recs | 2024/25 | | | To follow up | Previously Completed | | Complete | | In Progress | | Overdue | | Not Due | |
|---|------------|----------|-----------|----------|--------------|----------------------|----------|----------|----------|-------------|----------|----------|----------|----------|----------|
| | | H | M | L | | H | M | H | M | H | M | H | M | | |
| | | H | M | H | | M | H | M | H | M | H | M | H | M | |
| Health and Safety | 6 | 2 | 3 | 1 | 5 | 1 | 2 | 1 | - | - | 1 | - | - | - | - |
| Capital and Commercial Project Management | 3 | - | 1 | 2 | 1 | - | - | - | 1 | - | - | - | - | - | - |
| Contract Management | 2 | - | 1 | 1 | 1 | - | - | - | - | - | - | - | - | - | 1 |
| Building Control | 5 | 2 | 2 | 1 | 4 | - | 1 | - | - | 1 | - | - | 1 | 1 | - |
| GDPR | 4 | - | 3 | 1 | 3 | - | 2 | - | - | - | - | - | - | - | 1 |
| Asset Management | 4 | - | 1 | 3 | 1 | - | - | - | - | - | - | - | - | - | 1 |
| Main Financial Systems | 3 | - | 3 | - | 3 | - | 1 | - | 1 | - | - | - | - | - | 1 |
| Sub Total | 27 | 4 | 14 | 9 | 18 | 1 | 6 | 1 | 2 | 1 | 1 | - | 1 | 1 | 4 |

| | Total Recs | 2025/26 | | | To follow up | Previously Completed | | Complete | | In Progress | | Overdue | | Not Due | |
|----------------------|------------|----------|-----------|-----------|--------------|----------------------|----------|----------|----------|-------------|----------|----------|----------|----------|----------|
| | | H | M | L | | H | M | H | M | H | M | H | M | | |
| | | H | M | H | | M | H | M | H | M | H | M | H | M | |
| Waste and Recycling | 4 | - | 2 | 2 | 2 | - | - | - | 2 | - | - | - | - | - | - |
| Corporate Governance | 4 | - | 2 | 2 | 2 | - | - | - | 1 | - | 1 | - | - | - | - |
| Sub Total | 8 | - | 4 | 4 | 4 | - | - | - | 3 | - | 1 | - | - | - | - |
| Total | 35 | 4 | 18 | 13 | 22 | 1 | 6 | 1 | 5 | 1 | 2 | - | 1 | 1 | 4 |

Please note that the tables above only include audits where there are outstanding recommendations remaining. It does not include advisory reviews where we do not follow up the recommendations or reviews where all recommendations have been previously reported as completed.

SUMMARY

2024/2025

Please find below a summary of the status of implementation of recommendations arising from reports issued in 2024/25.

- ▶ One High priority rated recommendation for Health and Safety and one Medium priority rated recommendations for Capital and Commercial Project Management and Main Financial Systems have been implemented.
- ▶ One High priority rated recommendation for Building Control and one Medium priority rated recommendation for Health and Safety have missed their original implementation dates and are now classed as In Progress. Work is progressing to implement these and we will follow them up again ahead of the next Performance, Governance and Audit Committee meeting.
- ▶ One Medium priority rated recommendation for Building Control has missed its revised implementation date and is now classed as Overdue, although progress continues to be made.

2025/2026

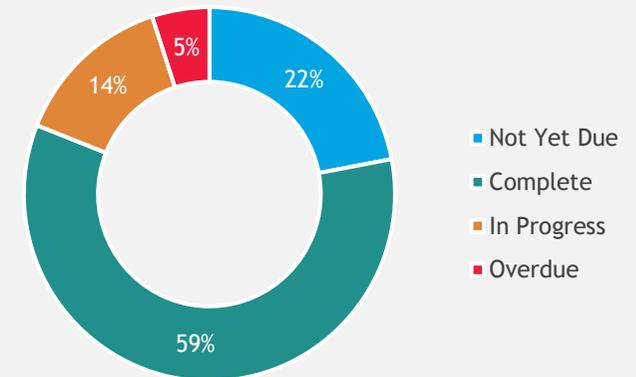
Please find below a summary of the status of implementation of recommendations arising from reports issued in 2025/26.

- ▶ Recommendations have been implemented for the following audits:
 - Two Medium priority rated recommendations for Waste and Recycling. No further recommendations are due from this audit.
 - One Medium priority rated recommendation for Corporate Governance.
- ▶ One Medium priority rated recommendation for Corporate Governance has missed its original implementation date, although work is progressing. This will be followed up again ahead of the next Performance, Governance and Audit Committee.

REQUIRED AUDIT COMMITTEE ACTION:

We ask the PGA Committee to note the progress against the recommendations.

Cumulative implementation



RECOMMENDATIONS: COMPLETE SINCE LAST FOLLOW UP REPORT

| AUDIT | RECOMMENDATIONS MADE | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|---|--|----------------|--|---|--|
| <p>2024/25</p> <p>Capital and Commercial Project Management</p> | <p>Rec 1</p> <p>1.1 Officers should be reminded that business case templates should be used for all projects and include high-level timescales within the implementation plan. Milestones may include design stage, tendering, procurement, and contract award.</p> <p>1.2 The PMO should ensure that business cases are approved once all high-level timescales, budgets, and risks are outlined. This includes completing a communications strategy, producing regular highlight reports, and ensuring closure reports are completed for each project. Benefits realisation should be completed for each project, with clear objectives and robust monitoring and measurement of these benefits e.g. Key Performance Indicators.</p> <p>1.3 The Council should ensure that Section 11 of the business case template for social and environmental impacts should be sufficiently filled out. Including highlighting to staff of the PMO helpful tools and templates that have been provided to ensure consistency among projects.</p> | Medium | Cheryl Hughes Head of Performance, Improvement and LGR Strategy and Improvement | <p>October 2025</p> <p>Closed</p> | <p><u>Management update:</u></p> <p>PMO SharePoint has been updated to ensure Business cases are readily available for project managers. In addition to this the PMO has actively engaged with PMs across the organisation to build awareness of the key business case documents. We have also adopted a two tier approach to projects at MDC allowing low risk vs high risk projects to be categorised with the aim to make the process simpler and clearer for all stakeholders.</p> <p>All project managers with live projects within the PMO have been asked to complete a communication plan retrospectively to meet this action (projects which are due to be delivered within 3 months are exempt). Once the completed comms plans are received, they are filed in each project's respective file on SharePoint. Accessible by key stakeholders.</p> <p>Following an agreement to adopt a two tier approach to projects - High risk vs Low risk. Both templates clearly request for this section to be completed. Also, the completed templates are now reviewed by the PMO which will ensure these sections are completed ahead of being submitted for approval.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information (PMO SharePoint).</p> |
| <p>2024/25</p> <p>Main Financial Systems</p> | <p>Rec 1</p> <p>1.1 The Council should ensure that documented evidence of role-based access reviews is retained for all staff granted access to the finance system. This should include confirmation that access levels are appropriate and that the review is completed and recorded prior to access being granted.</p> | Medium | Ben Jay Director of Finance | <p>September 2025</p> <p>January 2026</p> <p>Closed</p> | <p><u>Management update:</u></p> <p>Please find attached a list of SAGE users past and present as at today (10/02/2026). Disabled availability are ex staff, those enabled are current staff. If they have no roles assigned, they cannot access the system, if they have a Maldon profile it's a view only access, if they have Finance access then it enables them to make changes/ input things onto SAGE. A review will be conducted on the first day of each quarter.</p> |

| AUDIT | RECOMMENDATIONS MADE | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|---------------------------------|---|----------------|---|------------------------------------|---|
| | 1.2 Evidence of the quarterly access log reviews should be retained and reported to the Deputy S151 to confirm its completion to achieve a clear audit trail. | | | | <p><u>Internal audit comment:</u></p> <p>Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information (evidence of users).</p> |
| 2025/26 Waste and Recycling | <p>Rec 1</p> <p>1.1 A specific standing agenda item should be included on meeting agendas to ensure that all KPIs are discussed as part of the monthly contract meetings. When finalised, this should include complaints KPIs.</p> <p>1.2 Where performance is unsatisfactory, it should be ensured that minutes formally detail discussions held in relation to action being taken by the contractor to improve these.</p> | Medium | Carol Love Waste Contract and Commissioning Manager | <p>August 2025</p> <p>Closed</p> | <p><u>Management update:</u></p> <p>Complaints are discussed during the contract meetings including the number of complaints received. This is part of the standard agenda and the discussions are minuted.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information (meeting minutes and agenda).</p> |
| 2025/26 Waste and Recycling | <p>Rec 2</p> <p>2.1 On a quarterly basis management should undertake quality checks on complaints received to ensure these have been actioned correctly and all details are held on the system. Outcomes should be used to provide training and reminders to staff on issues identified.</p> <p>2.2 The definition of a justified complaint should be formally recorded and checked as part of the quarterly checks.</p> <p>2.3 KPIs in relation to complaints should be formally put in place and reported, monthly.</p> | Medium | Carol Love Waste Contract and Commissioning Manager | <p>August 2025</p> <p>Closed</p> | <p><u>Management update:</u></p> <p>Quality checks on complaints are now carried out by the Authorised Officer prior to contract meetings - at least one a month and more often if resources permit. Complaints are now recorded monthly in the service plan.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information (quality checks, meeting minutes and agenda).</p> |
| 2025/26 Corporate Governance | <p>Rec 1</p> <p>1.1 The Council should remind Members and leaders of political parties on the importance and requirements to complete and adhere to training requirements with continued reporting to the PGA. The Council could also</p> | Medium | Cheryl Hughes Head of Performance, Improvement and LGR | <p>December 2025</p> <p>Closed</p> | <p><u>Management update:</u></p> <p>As part of PGA consideration of the report this point was discussed with members. The Committee did not agree to sanctions and instead considered other ways to manage training compliance. An additional ask of training data has been</p> |

| AUDIT | RECOMMENDATIONS MADE | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|------------------------------|--|----------------|---|--|---|
| | consider: removing Member IT access if core training is not completed or make changes to roles/committees/working groups if appropriate training is not completed. | | Strategy and Improvement | | <p>requested and officers will be reporting this to PGA committee from January.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information (review of committee minutes).</p> |
| 2024/25 Health and Safety | Rec 2 An inspection schedule frequency should be agreed with each service area head and with the Health and Safety team. A schedule of inspections should be maintained by the Corporate Health and Safety Manager and inspections completed in line with the determined frequency. | High | Paul Baccarini Corporate Health and Safety Manager | July 2025 December 2025 Closed | <p><u>Management update:</u></p> <p>An inspection schedule has been agreed, identifying key sites with a standard inspection template which will be adapted for use depending on site.</p> <p>Inspections are taking place across a range of sites, and progress is being made to bring the record of inspections into a single location, and to adopt a consistent method of recording (through the development of an App), which will improve the efficiency and effectiveness of collection and use of the data collected through the inspections</p> <p><u>Internal audit comment:</u></p> <p>Recommendation closed by Internal Audit following receipt of management confirmation and the provision of the stated information (Inspection schedule). The technology solution is still in progress however this is in addition to the original recommendation which will further enhance the control environment.</p> |

RECOMMENDATIONS: IN PROGRESS

| AUDIT | RECOMMENDATIONS MADE | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|---|---|----------------|--|--|--|
| <p>2024/25</p> <p>Health and Safety</p> | <p>Rec 3</p> <p>3.1 The draft Health and Safety policy should be ratified and approved by the appropriate governing committee.</p> <p>3.2 All the out-dated supporting guidance documents identified in the Health and Safety Policy/Procedure Index should be reviewed and updated, ensuring they align to current statutory requirements and the Council's procedures.</p> <p>3.3 Once the supporting guidance documents have been reviewed and updated, they should replace the existing versions on the Council's intranet. Then advertised to staff to ensure they are fully aware of any updates/changes that have been made.</p> | Medium | Paul Baccarini Corporate Health and Safety Manager | <p>September 2025</p> <p>April 2026</p> | <p><u>Management update:</u></p> <p>The new H&S Policy was presented to the Strategy and Resources Committee on 2 occasions. It was approved, with requested amendments at Full Council on the 25th September 2025.</p> <p>A number of H&S procedures have been reviewed with each assigned a working group and a lead. The working groups and leads are reminded regularly that review is required. Whilst there has been good progress a number still require review. It is anticipated the restructure will delay progress. Lead officers have left the authority or have changed roles within it. Department structure and reporting lines have changed. A new date of April 2026 is put forward in an effort to accommodate this period of reorganisation. The support of the Corporate Leadership Team will be required to ensure timely completion.</p> <p>A system is in place where updated procedures are held in a central area. Old versions are saved in a superseded file for reference. Reviewed procedures have adopted a standardised naming format.</p> <p><u>Internal audit comment:</u></p> <p>Parts 3.1 and 3.3 have been completed. A new implementation date was previously agreed for 3.2. Progress is on track to meet the previously revised date.</p> |
| <p>2024/25</p> <p>Building Control</p> | <p>Rec 1</p> <p>1.1 Review the performance management requirements detailed within the Building Control Policy to see if they are still relevant and in line with the BSR statutory requirements.</p> <p>1.2 Establish a process to best monitor and report on the performance of the Building</p> | High | Danielle Blake Head of Service Housing and Building Control | <p>December 2025</p> <p>April 2026</p> | <p><u>Management update:</u></p> <p>The Building Control Policy has been reviewed and now incorporates the requirements of the Building Safety Regulator. The Building Control Policy & Procedures 2025-2028 was presented to Strategy & Resources Committee on 24 July 2025, with a recommendation for Council to adopt it.</p> <p>S&R Committee approved the Building Control Policy including all updated performance management requirements that align with the BSR requirements. Recommendation was made to Council in</p> |

| AUDIT | RECOMMENDATIONS MADE | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|--|---|----------------|--|---------------------------------------|---|
| | <p>Control service to ensure it is effective and efficient.</p> <p>1.3 Regular reports based on the new performance management requirements should be presented to ELT Service Catch-Up, to enable exception reporting to senior management, so there is more adequate oversight of the performance of the Building Control service.</p> <p>1.4 Further investigate the reporting functionality of IDOX Uniform to ensure it is fit for purpose to meet the requirements of the Building Safety Regulator. If required, arrange for additional training for officers so they can fully utilise Uniform. The service could also contact other local authorities who use Uniform, to establish how they are meeting the requirements.</p> | | | | <p>September 2025 to adopt the policy, however this has been deferred to Q4 to encompass enforcement elements.</p> <p><u>Internal Audit comment:</u></p> <p>Work is progressing to implement the recommendation. We will follow up the recommendation again ahead of the next Performance, Governance and Audit and Governance committee.</p> |
| 2025/26 Corporate Governance | <p>Rec 2</p> <p>2.1 The Council should ensure terms of reference are up-to-date and version controlled so it is clear when the document was last reviewed and when it will be subsequently reviewed.</p> <p>2.2 The Council should ensure where a Working Group reports to a committee the subsequent Working Group minutes note this and confirm the outcome for information purposes.</p> | Medium | Cheryl Hughes Head of Performance, Improvement and LGR Strategy and Improvement | <p>November 2025</p> <p>June 2026</p> | <p><u>Management update:</u></p> <p>A note has been circulated to officers involved in working groups to highlight this recommendation. For the first meeting that takes place in the municipal year, we will ensure terms of reference are reviewed when each working group sits. In May, the first working group meetings will review / refresh and this will finalise the action</p> <p><u>Internal audit comment:</u></p> <p>We will follow up the recommendation again ahead of the next Performance, Governance and Audit and Governance committee to confirm implementation following the May meeting.</p> |

RECOMMENDATIONS: OVERDUE

These recommendations have been marked as overdue as they have previously revised their implementation date. Therefore, they have now missed at least two implementation dates.

| AUDIT | ACTIONS AGREED | PRIORITY LEVEL | MANAGER RESPONSIBLE | DUE DATE | CURRENT PROGRESS |
|-----------------------------|---|----------------|--|--|--|
| 2024/25 Building Control | Rec 4 To ensure Building Control fees are set at the correct level, officers should compile a documented rationale for each of the fees based on the Building Control chargeable rate. | Medium | Mark Jaggard Director of Place, Planning & Growth | September 2025 October 2025 May 2026 | <p><u>Management previous update:</u></p> <p>Initial discussion with S151 determines that we do need Finance and Building Control to work on this project together and that needs capacity in both teams to complete the work. Building Control has lost another officer and the remaining Building Control officer is stretched covering statutory and committed technical work. The Head of Service will work with the Assistant Director and S151 to focus the task input down for the Building Control officer.</p> <p>This is being included in the 26/27 budget planning process, so the cost assessment will be undertaken in October 2025.</p> <p><u>Management most recent update:</u></p> <p>Building control work forms 2 parts, fee earning and no fee earning. The expectation is that the building control income should not create a significant surplus when considered on a rolling 3 year period. New burdens imposed nationally through the Building Safety Regulator means that the costs of providing the service have increased. However, it is a competitive market with the Council competing with Approved Inspectors for the fee earning work. The Council are about to enter Phase 2 of Transforming Together and in March 2026 will have the 'minded to' decision on LGR. Therefore, it is suggested that this action is picked up in Spring/Summer 2026.</p> <p><u>Internal audit comment:</u></p> <p>Recommendation is now classed as Overdue as the revised implementation date has not been met. However, external factors are driving the extended implementation date.</p> |

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Maldon District Council

Internal Audit Report - Final

MANAGEMENT OF PROPERTY
FEBRUARY 2026

| | |
|-----------------------|--|
| Design Opinion |  Moderate |
| Effectiveness Opinion |  Moderate |



IDEAS | PEOPLE | TRUST

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DISTRIBUTION

| | |
|---------------------------|--|
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| Frank Britt | Asset & Building Services Manager |
| Christine Hitchens | Assets Support Officer |
| Gail Godfrey | Resources Caseworker |

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

REPORT STATUS

| | |
|--------------------------------------|--|
| Auditors: | Aaron Winter, Partner Andrew Billingham, Internal Audit Manager Ryo Ishida, Internal Auditor |
| Dates work performed: | 27 August 2025 - 30 October 2025 (closing meeting) |
| Draft report issued: | 14 November 2025 |
| Management Response Received: | 2 February 2026 |
| Final report issued: | 3 February 2026 |

Executive Summary

Design Opinion



Moderate

Effectiveness Opinion



Moderate

Recommendations




SCOPE

Background

- ▶ Maldon District Council (the “Council”) is responsible for managing a diverse portfolio of properties, including residential, commercial, and public buildings, which are detailed on the Council’s Fixed Asset Register.
- ▶ The Council owns c130 assets that are under lease or licence to commercial or community partners, and 70 moorings and berths throughout the Blackwater area.
- ▶ The Council has an Asset Management Strategy, which was examined during a recent Asset Management internal audit review, and sets out the Council’s strategic framework for the period 2024-2029.
- ▶ The core objectives of the Asset Management Strategy are to:
 - Optimise the contribution that property and land assets make to successfully realising the Council’s strategic priorities and service objectives by ensuring that its estate is fit for purpose, financially viable and operationally sustainable.
 - Reduce the environmental impact of Council owned assets to contribute to carbon neutrality.
 - Improve asset income by taking measured risks with regards to property repurposing, investment and disposal. This includes reducing running costs by improving building efficiency.
 - Act upon strategic acquisition opportunities where these are affordable and align with corporate objectives e.g. affordable housing.
 - Establish a robust asset appraisal system that will be undertaken throughout the life cycle of this Asset Management Strategy to aid strategic decision making.
- ▶ Property management is overseen by the Council’s Head of Assets, Coast and Countryside and is crucial for maintaining the value and functionality of property assets, supporting local services, and contributing to the Council’s financial health.
- ▶ We previously conducted an audit of Management of Property in 2021 which provided Moderate assurance over both the design and operational effectiveness of the control environment. We raised one high and three medium priority rated recommendations.

Purpose

- ▶ The purpose of the audit was to provide assurance around the Council’s arrangements for ensuring all its properties are managed effectively and efficiently. In particular the audit examined the collection of rent, and maintenance of properties.

Limitations of scope

- ▶ This audit did not examine the control environment relating to the Fixed Asset Register as this was covered in a recent, separate audit of Asset Management as part of the 2024/25 internal audit plan.

Areas reviewed

- ▶ We sought to review the Council’s procedure documents to assess whether sufficient guidance on the roles and responsibilities regarding key property management processes were available for staff reference.
- ▶ We selected a sample of 15 properties from the Council’s leases and licenses register and reviewed evidence to test the following:
 - Rental agreements are in place with clearly defined terms
 - Rent reviews have occurred in a timely manner, and outcomes were appropriate based on supporting evidence
 - Rental income amounts have been invoiced correctly and in line with agreements
 - Tenant invoice payments have been promptly allocated to the correct rental accounts
 - Statutory inspections for properties were being tracked and monitored
 - Properties are being managed in line with the maintenance and repairs arrangements within the lease agreement.

For one case, relating to an old way leave for an electricity substation, records of the agreement, invoice payments, and allocations were not available, therefore the above tests could not be completed which we have raised as an issue below.

- ▶ We reviewed the Council’s arrangements for managing lease/rental agreement renewals to assess whether these are actively tracked and planned in advance.
- ▶ We selected a sample of three cases of outstanding invoice payments from the Council’s aged debt report and assessed whether the debts were recovered in line with policies.
- ▶ We reviewed a sample of 36 statutory inspections from the Council’s property tracking list to assess whether they had been completed within timescales and certificates were retained.


AREAS OF STRENGTH

- ▶ **Invoicing tenants:** Monthly meetings take place between the Resources Caseworker and Assets Support Officer, during which the accuracy and verification of lease invoices are reviewed. Invoices are produced and sent out to tenants/lessees at the end of each month of their respective payment plan (whether it be monthly, quarterly, or annual). For the sample of 15 properties reviewed, we received copies of the most recent invoices and confirmed that payment amounts were in line with the rental amounts outlined within the lease agreements and rental reviews.
- ▶ **Allocation of payments:** Payments are received and tracked through the Council’s monthly bank statements. Tenants/lessees are instructed to use the reference numbers associated with the invoices when making their payments, which allows for the Finance Team to upload the bank statements onto the Sage Financial Management system for automated attribution to the correct rental accounts.

For the same sample of properties reviewed, we confirmed that invoiced payments had been allocated to the correct rental accounts.

- ▶ **Debt recovery:** Guidance outlined in the Council’s Sundry Debtors Policy & Procedures document is used to recover debt in the case of outstanding payments due from lessees. The policy was last updated in April 2023 and is next due for a review in April 2026.
In line with the policy, payments are considered outstanding if unpaid on the 31st day after the date of raising an invoice. Further actions are taken to recover the debts, escalating from reminder letters to eventual write-offs.
The Council has not had a recent new case in which a lessee needed to be chased for an outstanding debt amount, however, there are several ongoing cases within the aged debt report, where lessees were making additional payments to clear their debt with the Council. As of September 2025, the total balance of outstanding debt was £31,097, with the highest amount being £6,750 outstanding for an individual lessee (reference: JCS004).
We reviewed a sample of three cases in which lessees had an ongoing debt with the Council and confirmed for all samples that a payment plan was in place for the debts to be cleared.
- ▶ **Repairs and maintenance:** Requirements for cyclical and responsive repairs and maintenance are defined within the lease agreements with tenants. Most agreements state that the responsibility for internal repairs and maintenance lies with the tenants, while external works fall under the Council’s remit. These repair works (including those which the tenants are responsible for) are recorded on the Council’s Uniform Asset Management system. Conditional surveys are currently being undertaken by the Assets Support Officer to identify and complete repairs, and maintenance works that are required of the Council across the property portfolio.
- ▶ **Tracking of statutory inspections:** In October 2025, the Council completed a review of its leases and properties to identify the requirements for statutory inspection certificates, public liability and insurance documents. A tracker has been produced, listing tenants and the required statutory inspections for each property and will be reviewed on a regular basis.
A template letter to tenants/lessees to request documents has been drafted and will be adjusted according to the specific requirements for each property.


AREAS OF CONCERN

- ▶ **Overdue or incomplete statutory inspections:** From our sample of statutory inspections, evidence for the completion of three fire risk assessments (reference: 000486, 000094, 000060) had not been provided during the fieldwork phase of the audit in October 2025, and when subsequently provided in February 2026 were found to have been completed in an untimely manner. For one Central heating inspection, (reference: 000033), the certificate had not been received from tenants. For one play site safety inspection, (reference: 000068), four moderate risk findings were identified in the report. We were not provided with evidence of remedial works being undertaken against these risks but were subsequently informed in February 2026 that the findings were no longer applicable due to the playground being fully replaced during the summer of 2025. **(Finding 1, High)**

- ▶ **Delayed or overdue rental reviews:** From our sample of properties, we identified four cases, (lease reference: 000733, 000148, 000257,000834), in which rental reviews were overdue or had been completed late. Delays in the reviews ranged from one to up to four years. For one case, (lease reference: 000825), evidence of rent reviews was not provided, due to these being held by the Casework Manager who did not respond to requests for evidence. We estimate that the potential rental income lost due to these delays total £45,022. **(Finding 2, Medium)**
- ▶ **Records for old way leaves:** From our sample of properties, we identified that records pertaining to the way leave for an electricity substation were not retained. This was due to the age of the agreement, which had taken place in 1974. **(Finding 3, Low)**
- ▶ **Lack of formal policies and procedure documents:** Aside from the Council’s Asset Management Strategy and the Sundry Debtors Policy & Procedures, the Council does not currently have formal procedure document in place for the day-to-day management of properties. **(Finding 4, Low)**

- 

ADDED VALUE
- ▶ We have provided a summarised table of the practices outlined in the Community Asset Transfer (CAT) policies for other Councils for the use of assets by community and voluntary organisations. These councils were selected for comparison based on the availability of their CAT policy and we have provided this information for the Council to consider. **(Appendix II)**
 - ▶ We have also performed a comparative analysis between the property management processes and controls observed at Maldon District Council, and practices observed by other Councils within our client portfolio. **(Appendix III)**

- 

CONCLUSION
- ▶ We have provided moderate assurance over the design and operational effectiveness of the Councils processes for managing its properties.
- Control Design**
- ▶ Conditional surveys are being undertaken by the Council to ensure compliance with their maintenance and repair obligations as defined within their lease agreements. Policies are in place for the monitoring and recovery of aged debts.
 - ▶ The Council has begun to review its leases and properties for statutory inspection requirements, as well as public liability and insurance documents and a template letter to tenants/lessee is due to be sent out in early November.
 - ▶ However, two low priority recommendations were raised regarding the lack of review processes for old way leaves and the lack of formal policies and procedure documents.
- Control Effectiveness**
- ▶ The Resources Caseworker and Assets Support Officer hold meetings to reconcile the Council’s leases and licenses records, and the established processes were confirmed to be operating effectively for invoicing tenants, allocating payments, and recovering debts.

- ▶ However, we raised one high and one medium priority recommendation for the backlog of overdue health and safety certification works and delayed rental reviews (respectively) to be cleared. And for the progress for these recommendations to be tracked and monitored by senior management. Due to actions being taken by management to improve the monitoring and compliance of statutory inspections through the newly implemented tracker, we have provided a moderate assurance over the effectiveness of controls in place.

Detailed Findings

1 Overdue or incomplete statutory inspections

| | |
|---------------------|---|
| TOR Risk: | Without regular surveys of fire safety, electric, heating, and water systems, deterioration within these systems can go unnoticed. This can lead to property damage through fire or contaminated systems which may pose serious health risks to tenants. There is also the risk of regulatory action where statutory inspections are not completed leading to fines or reputational damage. |
| Significance |  High |

FINDING

Issue

The completion of property statutory inspections falls under the responsibility of the tenants. Records of the inspection certificates are uploaded onto the Council’s Uniform Asset Management, which automatically flags when the inspections are next due to be requested.

From our sample of 36 statutory inspections outlined in Appendix I, we assessed whether they had been completed within timescales, and that certificates were retained by the Council.

The following exceptions were identified:

- In one case, (reference: 000033), certificates to confirm the statutory inspection of a property’s Central Heating had not been received from tenants. As a result of this audit, these have now been requested.
- For three cases relating to fire risk assessments, (ref: 000486, 000094, 000060), we were not provided with evidence of the assessment reports during the fieldwork for this audit in October 2025. For two of the three cases, (ref: 000094, 000060), we were subsequently provided with the fire risk assessment reports but have identified that the assessments were completed in an untimely manner, with delays of up to two years since the date outlined as when the review should have taken place.
For one case, (ref: 000486), we were informed by the Asset Building Services Manager in February 2026 that following a discussion with a specialist independent FRA assessor, it was advised that a fire risk assessment was not required for the property.
- For one case regarding a play site (000068), four moderate risks findings were identified in the annual inspection report. We were not provided with evidence of remedial works being undertaken to action these risks during the fieldwork of this audit. We were subsequently informed by the Assets Support Officer in February 2026 that these findings were no longer applicable due to the playground being entirely replaced in 2025. However, we were not provided with evidence to verify the replacement of the playground.

Root cause

The root causes for the above findings can be attributed to the following:

- The formal process for requesting statutory inspection certificates from tenants had not been in place during the time of our testing, with no mechanism to follow up on outstanding certificates.

- There was a lack of budget for the arrangement of fire risk assessments.
- Documentation of remedial works following inspections are not centralised. These sit with the Asset & Maintenance Team Leader and are not accessible to the Assets Support Officer.

Implication

If statutory inspections and their subsequent remedial works are not completed in a timely manner, there is a risk of property damage or harm to tenants.



RECOMMENDATION

1a. The Council should continue with the plans to clear the backlog of overdue fire risk assessments. The Council now has a tracker in place to identify and monitor the statutory inspection certificates required for each property, therefore oversight of the completion of inspections/checks should be enhanced and RAG rated, with regular reporting to senior management.

1b. An arrangement to share or upload records of remedial works to a centralised location should be discussed between the Assets Support Officer and the Asset & Maintenance Team Leader.



MANAGEMENT RESPONSE

1a. Management agrees with and supports the continued delivery of the programme of Fire Risk Assessments. Two of the mentioned FRA's (000060 & 000094) were carried out in February 2025 and copies of these reports have been forwarded. The remaining report (000486) was deemed by our independent FRA assessor as not required as it did not meet the criteria under 'THE REGULATORY REFORM (FIRE SAFETY) ORDER 2005' so was not carried out at that time. We will however revisit this and undertake the FRA if required.

A statutory inspection tracker report has now been implemented to identify and monitor all required inspection certificates for each property (if required). This will strengthen oversight of upcoming inspection and check completion, supported by RAG-rated monitoring and regular reporting to senior management to ensure ongoing compliance and effective governance.

Budget capacity has been made for 2026/27

1b. The Assets Support Officer has already put in place an Asset SharePoint site, providing a single centralised location to support improved record-keeping, transparency, and accessibility of information across the service.

Responsible Officer:

1a. Assets Building Services Manager / Asset Support Officer
1b. Asset Support Officer

Implementation Date:

1a. 28.2.26
1b. Completed

2 Delayed or overdue rental reviews

TOR Risk:

Lease/rental agreements renewal dates are not monitored and rent reviews are not conducted in a timely manner, leading to rent increases not being collected in a timely manner

Significance



Medium



FINDING

Issue

The Council has a Leases and License tracker in place, which lists all managed properties, lease renewal dates, and dates for the next rent review.

From our sample of 15 properties from the leases and licenses register, we assessed whether rent reviews had occurred in a timely manner and informed with an appropriate outcome. The following exceptions were identified:

- For three cases, (reference: 000733, 000148, 000257), rental reviews were overdue or had been completed late. These delays ranged from one to four years past the original review date.

We were advised by the Assets Support Officer that, to clear the backlog of rent reviews, the Council plans to shift from requesting/arranging manual rent reviews to applying annual increases based on Consumer Price Index (CPI).

- For one case, (reference: 000834), the property’s rent should have been increased based on the CPI by Finance in May 2022. However, this was not completed at the time of our audit fieldwork (October 2025).
- For one case, (reference: 000825), we were not provided with evidence of rent reviews taking place since the original rental agreement was made in September 2023.

We have estimated a total potential loss of £45,022 in rental income from the exceptions above.

Root cause

Delays in rental reviews were attributed to inadequate resources to perform/request the reviews and the lack of a formal process to inform Finance of the scheduled RPI rent increases.

Evidence of rent reviews of *Council office spaces* could not be provided due to these documents lying with the Resources Casework Manager, who failed to provide evidence, and not being saved in a location accessible by the Assets Support Officer.

Implication

If rent reviews are not completed in a timely manner, there is a risk of rent increases not being applied and collected in a timely manner, which may result in financial loss for the Council.



RECOMMENDATION

1a. The Council should perform a reconciliation exercise to identify the rent reviews which remain outstanding and clear this backlog as soon as possible. The issue of backlogs in rent reviews should be reported to and overseen by senior management on a regular basis until cleared.

1b. The Resources Caseworker and Assets Support Officer should liaise with each other and to refresh Finance’s schedule for upcoming or overdue rent increases in line with CPI.

1c. An arrangement to share or upload records of rent reviews to a centralised location should be discussed between the Assets Support Officer and the Casework Manager.



MANAGEMENT RESPONSE

2a. Management acknowledges the audit recommendation regarding outstanding rent reviews. We agree and continue to identify all pending rent reviews. The Council will undertake this exercise and address the backlog as a priority. Additional resources for the Asset Management team are planned as part of the organisational restructure, which has a target implementation date of 1 Apr 2026. The propose new structure would also bring all Asset Management under a single team. Additional budget capacity from 2026/27 has also been made to support future rent reviews

2b. Management acknowledges the recommendation regarding the coordination of rent increase schedules. The Resources Caseworker and Assets Support Officer will liaise regularly to review and update Finance’s schedule of upcoming or overdue rent increases in line with CPI.

This refreshed schedule will be maintained and monitored to ensure rent increases are applied accurately and on time, supporting effective financial management.

As set out at 2a above the proposed new structure would also bring all asset management into a single team which will streamline the management of the Councils assets.

2c. Management acknowledges the recommendation to ensure effective circulation of the lease’s tracker. The tracker, which records the rent review schedule, will be distributed to the Casework Manager, and access will be provided to the centralised leases file.

This will ensure that relevant staff have up-to-date information on rent reviews, supporting accurate monitoring and timely action.

As set out at 2a above the proposed new structure would also bring all asset management into a single team which will streamline the management of the Councils assets.

| | |
|-----------------------------|---|
| Responsible Officer: | 2a. Assets Building Services Manager / Asset Support Officer / Legal Support Officer 2b. Asset Support Officer / Finance Caseworker 2c. Asset Support Officer |
| Implementation Date: | 2a. 31 May 2026 2b. 31 May 2026 2c. 31 May 2026 |

3 Records for old way leaves

| | |
|---------------------|--|
| TOR Risk: | Commercial property lease/rental agreements are not in place and/or do not define suitable terms and conditions, leading to misunderstandings, disputes or financial losses. |
| Significance |  Low |

 **FINDING**

Issue

Commercial Property Lease agreements are to be retained for all properties, and the terms and conditions for these agreements should include key details such as payment deadlines, responsibilities for repairs and maintenance, and debt recovery processes. The records for commercial properties are detailed on Uniform, with documents such as the Lease agreements, rental reviews, and maintenance/survey reports retained in the Council's SharePoint folders. Dates for rental reviews, lease renewals, statutory surveys, and maintenance works are tracked by the Assets Support Officer.

From our sample of 15 rental properties we assessed whether lease/rental agreements were in place with clearly defined terms. However, we identified one exception:

- For one case relating to the way leave for an electricity substation, (reference: 000181), records of the original agreement were not found. We were informed by the Assets support Officer that this was likely due to the age of the agreement, which had taken place in 1974. Further work will be undertaken to review similarly old way leaves and renew them if necessary.

This was not considered a high or medium risk finding as the way leave does not generate income for the Council, reducing the impact of this finding.

Root cause

The root cause for this issue can be attributed to a lack of review/reconciliation exercises performed on old way leave agreements. These documents were meant to be held by the Legal team but may be difficult to find due to their age.

Implication

If records are not retained for properties by the Council, there is a risk of misunderstandings between the Council and its lessees, which may result in an increased risk of disputes or financial loss.

 **RECOMMENDATION**

3a. The Council should perform a reconciliation over all old leases to confirm which ones are still applicable and proceed with the plan to review and renew the old way leaves agreement.

 **MANAGEMENT RESPONSE**

3a. We support the recommendation that the Council continues to undertake a reconciliation of all historic wayleaves to confirm their ongoing applicability and proceed with the review and renewal of the old wayleave's agreement.

| | |
|-----------------------------|--|
| Responsible Officer: | 3a. Assets Building Services Manager / Asset Support Officer / Legal Support Officer |
| Implementation Date: | 3a. 30 June 2026 |

4 Lack of formal policies and procedure documents

| | |
|---------------------|---|
| TOR Risk: | Property management procedures are not in place and/or do not clearly outline the Council’s approach to managing property, leading to unclear roles and responsibilities and inefficient processes. |
| Significance |  Low |

 **FINDING**

Issue
 We were informed by the Asset & Building Services Manager that the Asset Management Strategy is the only formal policy or procedure that the Council has in place at present. It is intended for the Council to develop more detailed underlying procedures for the day-to-day management of properties, however at the time of the audit, work on this had not yet started to formally document what happens in practice.

Root cause
 The root cause for this can be attributed to the current processes having been established recently, and management prioritising other key tasks such as setting up the transfer of records to the Uniform Asset Management system and the drafting of statutory inspection certificate requests to tenants.

Implication
 If formal policies or procedure documents are not in place, there is a risk of staff following inconsistent or inappropriate processes in the management of the Council's properties.

 **RECOMMENDATION**

4a. The Council should produce supporting procedure documents outlining key processes such as:

- Monitoring and Performing Rent Reviews
- Finance-related processes (invoicing tenants/lessees and allocating payments)
- Conditional Surveys (frequency, what needs to be looked at)
- Identifying the Statutory surveys required for a property (current and newly acquired)

These documents should be presented and approved by senior management, with the frequency of review and updates agreed.

 **MANAGEMENT RESPONSE**

4a. Management acknowledge and support the recommendations listed above. To enable this the matter will be brought before the Member led Strategic Assets Working Group to

oversee the process and to identify all the required Policies & Procedures, to identify resources required and timescales for the works. There will need to be input from not only the Assets Management team but also other departments with MDC such as Finance and Legal, and some will also need to be considered by the Strategic Assets Working Group (SAWG) Once all of the new Policies and Procedures have been drawn up to the satisfaction of SAWG then they will need to be approved by Senior Management/Members as required.

| | |
|-----------------------------|---|
| Responsible Officer: | 4a. Assets Building Services Manager / Legal Team |
| Implementation Date: | 4a. 30 Sept 2026 |



Appendix I - Samples tested

Property samples

| Sample No. | Reference | Address |
|------------|-----------|---|
| 1 | 000228 | Area B Adjacent Cooks Boatyard, The Hythe, Maldon, Essex |
| 2 | 000733 | Kiosk 5, The Promenade Park, Park Drive, Maldon, Essex CM9 5JQ |
| 3 | 000148 | Kiosk 8, The Promenade Park, Park Drive, Maldon, Essex |
| 4 | 000181 | Electricity Sub Station, Millfields, Burnham-On-Crouch, Essex |
| 5 | 000844 | Oyster Kiosk, Shop Site Near Kiosk 1, The Promenade Park, Park Drive, Maldon, Essex |
| 6 | 000834 | Kiosk 4, The Promenade Park, Park Drive, Maldon, Essex |
| 7 | 000840 | Goal Posts At St Georges Meadow, St Georges Close, Heybridge Basin, Essex |
| 8 | 000825 | Blackwater Medical Centre Office, Council Offices, Princes Road, Maldon, Essex |
| 9 | 000826 | Kiosk 3, The Promenade Park, Park Drive, Maldon, Essex CM9 5JQ |

| | | |
|----|--------|--|
| 10 | 000831 | Homestart, Council Offices, Princes Road, Maldon, Essex CM9 5DL |
| 11 | 000689 | Police Station, Council Offices, Princes Road, Maldon, Essex CM9 5DL |
| 12 | 000065 | Unit 10, Springfield Industrial Estate, Springfield Road Burnham-On-Crouch, Essex CM0 8UA |
| 13 | 000257 | Stebbens Boatyard, Pontoon Landing Stage, Basin Road, Heybridge, Essex |
| 14 | 000842 | Mrs Salisburys, Shelter Kiosk, The Promenade Park, Park Drive, Maldon, Essex |
| 15 | 000845 | Maldon Yacht Club, Park Drive, Maldon, Essex |

Statutory Inspection Samples

| Reference | Address | Inspection Type |
|-----------|---|--------------------------|
| 000094 | Council Offices Princes Road Maldon Essex CM9 5DJ | Air conditioning |
| 000094 | Council Offices Princes Road Maldon Essex CM9 5DJ | Automatic Doors |
| 000035 | Office The Depot The Promenade Park Park Drive Maldon Essex | Boilers |
| 000033 | Building B Brickhouse Farm Community Centre Poulton Close Maldon Essex CM9 6NG | Central Heating |
| 000094 | Council Offices Princes Road Maldon Essex CM9 5DJ | Condition Survey |
| 000096 | Depot Princes Road Maldon Essex CM9 5DJ | Electrical Installations |
| 000445 | Public Convenience Butt Lane Maldon Essex | Electrical Installations |
| 000269 | Public Conveniences White Horse Lane Maldon | Electrical Installations |

| | | |
|--------|--|--------------------------------|
| | Essex CM9 5QP | |
| 000094 | Council Offices Princes Road Maldon Essex CM9 5DJ | Emergency Lighting |
| 000094 | Council Offices Princes Road Maldon Essex CM9 5DJ | Energy Performance Certificate |
| 000034 | The Depot The Promenade Park Park Drive Maldon Essex | Fire Alarm system |
| 000094 | Council Offices Princes Road Maldon Essex CM9 5DJ | Fire Alarm system |
| 000074 | Changing Room Sports Pavilion The Promenade Park Park Drive Maldon Essex | Fire extinguishers |
| 000037 | Nursery The Depot The Promenade Park Park Drive Maldon Essex | Fire extinguishers |
| 000035 | Office The Depot The Promenade Park Park Drive Maldon Essex | Fire extinguishers |
| 000094 | Council Offices Princes Road | Fire Risk Assessment |

| | | |
|--------|--|----------------------|
| | Maldon Essex CM9 5DJ | |
| 000486 | Amphitheatre Promenade Lake Plant Room The Promenade Park Park Drive Maldon Essex | Fire Risk Assessment |
| 000060 | Maldon Saints Clubhouse The Promenade Park Park Drive Maldon Essex | Fire Risk Assessment |
| 000094 | Council Offices Princes Road Maldon Essex CM9 5DJ | Gas |
| 000034 | The Depot The Promenade Park Park Drive Maldon Essex | Gates |
| 000009 | Kiosk 5 The Promenade Park Park Drive Maldon Essex CM9 5JQ | Legionella |
| 000032 | Brickhouse Farm Community Centre Poulton Close Maldon Essex | Legionella |
| 000479 | Mortuary Building at Maldon Cemetery London Road Maldon Essex | Legionella |

| | | |
|--------|---|-------------------------|
| 000445 | Public Convenience Butt Lane Maldon Essex | Legionella |
| 000269 | Public Conveniences White Horse Lane Maldon Essex CM9 5QP | Legionella |
| 000094 | Council Offices Princes Road Maldon Essex CM9 5DJ | Lifts |
| 000094 | Council Offices Princes Road Maldon Essex CM9 5DJ | Lighting |
| 000094 | Council Offices Princes Road Maldon Essex CM9 5DJ | Portable Appliance Test |
| 000031 | Brickhouse Farm Public Open Space Poulton Close Maldon Essex CM9 6NG | Play Sites |
| 000670 | Galleon Play Site The Promenade Park Park Drive Maldon Essex | Play Sites |
| 000068 | Sensory Playsite Near Front Gates The Promenade Park | Play Sites |

| | | |
|--------|---|------------------|
| | Park Drive Maldon Essex | |
| 000747 | Amphitheatre 2 Sided Feeder Pillar The Promenade Park Park Drive Maldon Essex | Power Outlets |
| 000691 | Pump At Drapers Sports Club Drapers Chase Heybridge Maldon Essex CM9 4QT | Pumps |
| 000695 | Pump At Promenade Lake Plant Room The Promenade Park Park Drive Maldon Essex | Pumps |
| 000094 | Council Offices Princes Road Maldon Essex CM9 5DJ | Security systems |
| 000053 | Tractor Shed The Promenade Park Park Drive Maldon Essex | Shutters |

Appendix II - Community Asset Transfers/Lettings

Community Asset Transfers are an established mechanism used to enable the community ownership and management of publicly owned land and buildings. It allows for councils to transfer the ownership and management of land and buildings they own to local communities at less than full market value. The following councils were selected for the public availability of their Community Asset Transfer policies and have summarised the contents in the table below, for the Council to compare, identify, and potentially adopt any differences in practice observed:

- Portsmouth City Council
- Croydon Council
- Manchester City Council

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| Areas reviewed | Portsmouth City Council Asset Transfer Policy | Manchester City Council Community Asset Transfer Policy - January 2023 | Croydon London Borough Council Community Asset Transfer Policy for Premises related to supporting the Voluntary, Community, and Faith Sectors - Updated April 2024 |
|----------------|---|---|--|
| Criteria | <p>The Council should be seeking the following benefits from asset transfers:</p> <ul style="list-style-type: none"> • Community empowerment • Area-wide benefits for the citizens of Portsmouth • A sustainable third sector • Economic development and social enterprise • Improvements to local services • Value for money • Delivery of Corporate Objectives | <p>Groups wishing to undertake a CAT will need to demonstrate:</p> <ul style="list-style-type: none"> • How the community and local people will benefit from the transfer. • That there is community support for the transfer, and • That they can access sufficient funds to cover repairs, maintenance and on-going operational costs. <p>Land or buildings that are held by the 'Council in trust' will not be considered for a Community Asset Transfer unless the Council's Trustees are prepared to approve of the disposal.</p> | <p>To be eligible, organisations should satisfy and be able to demonstrate the following criteria:</p> <ul style="list-style-type: none"> • Properly constituted with good governance • Capable of sustainably, legally, and safely managing an asset and delivering services • Compliant with the Equality Act 2010 • Willing to offer space (if available) and support to smaller groups • More than 75% of beneficiaries from the services provided by the |

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| | <p>The policy outlines the criteria for:</p> <ul style="list-style-type: none"> • Applicants to meet and demonstrate when applying for a CAT. • Assets to be eligible for the transfer • The proposed use of the asset • Business plans and financial viability | <p>Property assets usually considered suitable for CAT are:</p> <ul style="list-style-type: none"> • Assets that the Council has identified as suitable for CAT through its Strategic Asset Management Plan (SAMP) - where a community organisation enquires about a specific asset which has yet to be assessed as part of the SAMP, it will be assessed at the soonest available opportunity • Assets must be in the ownership of the Council and not subject to any existing agreements for occupation of the whole asset by third parties • Underutilised parts of premises maybe considered for CAT <p>The Council will not consider applications for CAT in the following circumstances:</p> <ul style="list-style-type: none"> • Assets which are identified for a different purpose or disposal under the SAMP • Assets that are part of the Operational Estate and that are required for delivery of Council Services (save where part of the asset maybe deemed suitable) • Surplus assets where the Council is exploring an operational use for Council or partner services • Assets which are held in the investment portfolio • Transfers to organisations to be used purely as a vehicle for commercial ventures. This does not include, for example, charitable organisations with trading arms, where profits are reinvested in communities • Transfers to individuals | <p>organisation must be for Croydon residents.</p> <p>To determine the priority of eligible Voluntary, Community and Faith Sector (VCFS) organisations, the following criteria will be considered:</p> <ul style="list-style-type: none"> • The soundness of the business case for why the building or land is needed • The robustness of the planned income stream for the organisation • The community benefit offered by the organisation • Local need for the service • Financial management and viability. (This will be checked through the organisations' most recent audited/checked accounts, a business plan or budget, and sources of funding.) • Ability for the organisation to manage the asset and comply with the lease obligations. |
|--|---|---|--|

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| | | <ul style="list-style-type: none"> • Transfers that contravene Subsidy or Procurement or any other statutory provisions or regulations or rules • Assets which may be used solely for religious or political purposes/activities <p>Before entering into any CAT the Council will need to satisfy itself that the financial standing of the organisation is satisfactory, this will include (but is not limited to) a review of financial statements, review of owned assets and bank accounts, audited accounts, review of current and intended business activities, review of the VCS proposals / offers to secure sufficient funds to cover repairs, maintenance and on-going operational costs and the review of any other CATs acquired by the organisation including linked organisations or its group.</p> | |
| <p>Process</p> | <p>Under the General Disposals Consent 2003, the Council has the opportunity to sell or lease general fund assets at ‘less than best consideration’ in cases where it can demonstrate and attribute value to the wellbeing benefits that would arise.</p> <p>Any disposal for less than best consideration would need to be transparent, justifiable, and have the appropriate Cabinet approval.</p> <p>The Council takes a strategic approach to Corporate Asset Management Planning by reviewing its portfolio and undertaking option appraisals, which includes examining the transfer potential of its assets.</p> | <p>Decisions regarding which assets are available for CAT will be made in line with the arrangements set out in the Council’s SAMP.</p> <p>The Council will need to assess the full market value of the asset being transferred, which may involve taking independent advice so that any decision about transfer at ‘less than Best Consideration’ for the asset is transparent and issues such as government consents and subsidy can be considered.</p> <p>Applications are opened for new CATs and each organisation will be considered for eligible transfer on a case-by-case basis against the criteria outlined in the CAT policy.</p> <p>Any disposal of a property asset will be made in line with the constitution of the Council and relevant</p> | <p>There will be two steps to any CAT application:</p> <p>Step 1: Cat Application Part 1 covers the initial application submission for consideration on any named sites</p> <p>Step 2: CAT application Part 2 covers the applicants who have met the base criteria for consideration, but in order to progress to the next step of evaluation they are required to provide more information on their financial proposals and assumptions. The Council provides guidance notes to assist applicants for this part of the process.</p> |

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| | <p>A step-by-step description of the Asset Transfer Process, along with the key responsible officers and forums, are outlined in the Council’s policy.</p> | <p>statutory provisions and regulations applying from time to time.</p> | |
| <p>Rental Amounts</p> | <p>The decision on the rent payable under leases will be determined on a case-by-case basis. Factors influencing the decision will include:</p> <ul style="list-style-type: none"> • Proposed uses • The extent of revenue-producing opportunities • Benefits to the community <p>In all cases involving transfer of ownership/occupation of an asset, appropriate legal mechanisms will be put in place to protect the Councils financial position.</p> | <p>The amount of rent payable under leases granted through the CAT process will be assessed on the business case. Criterial used will include:</p> <ul style="list-style-type: none"> • Any rent payable by the Council under an existing lease of leasehold premises - only in exceptional circumstances will the rent payable under the CAT be less than the current rental payable or a pro rata proportion thereof in the case of a CAT of part of an asset. • Any capital or revenue investment the VCSO is making into the asset • The extent / level of services provided and the social, economic or environmental benefit of the same. • The extent to which the transfer supports the Our Manchester strategy and the Council’s corporate objectives • The extent to which the use of the asset benefits the wider community. • The extent to which the asset is made available for other groups to use. • How well the asset is managed and maintained. • If the use of the asset varies, with the Council’s prior approval and in which respect the Council will have an absolute discretion whether to give that approval or not, from the original business case to include commercial uses (other than commercial uses | <p>The Council operates a flexible rent charging framework to set the rents for Council community properties. Rents for each CAT will be individually assessed, taking into account the following:</p> <ul style="list-style-type: none"> • The geographical location of the property • The current and proposed use of the property and its ability to support the Council’s core policies in line with the Mayor’s Business Plan • The physical condition of the property • The tenant’s ability to be fully responsible for all property repair and maintenance • The business case submission and funding proposal from successful applicants. (Rent for buildings that offer more potential for third-party or commercial lettings are likely to require higher rents by the Council.) |

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| | | <p>which are strictly ancillary to the main CAT use) and where any profit is reinvested in community uses, the Council shall have the discretion to review the rent up to the market rental asset depending upon the degree of commerciality.</p> <p>Rent amounts will be subject to 5 yearly reviews.</p> | |
|--|--|--|--|

Appendix III - Comparative Analysis with other Councils

| Area of Risk | Council 1 - London based Audit performed in 2023/24 | Council 2 - Audit performed in 2022/23 | Council 3 - Audit performed in 2022/23 | Comparison with Maldon's current practices |
|---|--|---|---|--|
| Policies and Procedures on the management of property | The Council's Property Procedures for Disposals and Lettings, last updated in September 2019, does not outline the key processes for the management of properties once let out to tenants. | Area not tested. | The Council had a Property Asset Management Plan in place from 2018/19 - 2021/22. The plan included a high-level overview of the operational procedures in place for the management of property. | Maldon District Council (MDC) intends to develop more detailed underlying procedures for the day-to-day management of properties, however, as of the time of this audit, work on this has not yet started. |
| Retention/storage of lease documentation | Original copies of leases are kept by the legal team and lease records are also held on the Asset Management team's shared drive. Details of the lease agreements are also held on the TF Cloud system. Details of leases all agreed to those listed in the spreadsheet extracted from the TF cloud system. | The Council did not have sufficient lease documentation available for 9 out of 13 cases tested. | The Council holds the lease/rental agreements on the online ELF database. Agreements are cross-referenced against the asset register to ensure all new entries are correct. The ELF system contains a reminder tool which will flag notices for lease renewals, rent reviews, etc. | MDC have similar controls to Council 1, with the lease copies held by the legal team, saved on the shared drive, and also recorded on the Uniform system. However, the completion of records on the Uniform system remains a work-in-progress. In particular, with Finding 3 of this audit being raised regarding the lack of review of old way leave agreements. |

| | | | | |
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| <p>Statutory inspections of properties.</p> | <p>A planned programme of maintenance is planned between January and March on a yearly basis for the statutory health and compliance inspections. The work is carried out between April and March by contractors and monitored through the TF Cloud system.</p> | <p>Due to the Council not having an asset management system in place, a tracker was used to monitor properties where works were ongoing. The tracker alone does not offer a way to view the inspection/works order history for all properties.</p> | <p>Assets are organised by type and over the course of a five-year period, every asset is re-valued. Assets within the asset register are subject to external audit. Maintenance and revaluations are conducted in accordance with CIPFA regulations.</p> | <p>MDC have completed a yearly review of the Council's properties and letters to be sent out to lessees requesting evidence of completed statutory inspections, and a tracker is now in place for the statutory inspection requirements of all properties.</p> |
| <p>Monitoring of lease agreement obligations being met</p> | <p>An estate officer visits all of the properties within the Council's portfolio approximately once a month. When visiting sites, the officer uses a reporting sheet and reports anything of note to the asset management team. Markers in the database are used to denote whether health and safety monitoring is the responsibility of the Council or the tenant.</p> | <p>As above.</p> | <p>As above.</p> | <p>MDC are currently implementing conditional surveys across the Council's properties to ensure that the maintenance and repair obligations are being met.</p> |
| <p>Updates to the Asset Management system/database</p> | <p>Records are updated manually as and when required.</p> | <p>Information could not be provided by the Council's commercial property team.</p> | <p>Records are updated manually, as and when required.</p> | <p>Similar to Council 1, records in the Uniform system are updated manually on a monthly basis.</p> |

Appendix IV - Definitions

| LEVEL OF ASSURANCE | DESIGN OF INTERNAL CONTROL FRAMEWORK | | OPERATIONAL EFFECTIVENESS OF CONTROLS | |
|--------------------|--|--|---|--|
| | FINDINGS FROM REVIEW | DESIGN OPINION | FINDINGS FROM REVIEW | EFFECTIVENESS OPINION |
| Substantial | Appropriate procedures and controls in place to mitigate the key risks. | There is a sound system of internal control designed to achieve system objectives. | No, or only minor, exceptions found in testing of the procedures and controls. | The controls that are in place are being consistently applied. |
| Moderate | In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective. | Generally a sound system of internal control designed to achieve system objectives with some exceptions. | A small number of exceptions found in testing of the procedures and controls. | Evidence of non compliance with some controls, that may put some of the system objectives at risk. |
| Limited | A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year. | System of internal controls is weakened with system objectives at risk of not being achieved. | A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year. | Non-compliance with key procedures and controls places the system objectives at risk. |
| No | For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Poor system of internal control. | Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Non compliance and/or compliance with inadequate controls. |

RECOMMENDATION SIGNIFICANCE

| | |
|---------------|--|
| High | A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently. |
| Medium | A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action. |
| Low | Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency. |

Appendix V - Terms of Reference



KEY RISKS

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the potential key risks associated with the area under review (including those relevant to the IIA's [name] Topical Requirement), are:

- ▶ Risk 1: Property management procedures are not in place and/or do not clearly outline the Council's approach to managing property, leading to unclear roles and responsibilities and inefficient processes.
- ▶ Risk 2: Commercial property lease/rental agreements are not in place and/or do not define suitable terms and conditions, leading to misunderstandings, disputes or financial losses.
- ▶ Risk 3: Lease/rental agreements renewal dates are not monitored and rent reviews are not conducted in a timely manner, leading to rent increases not being collected in a timely manner
- ▶ Risk 4: Tenants are not invoiced correctly nor in a timely manner, potentially resulting in payment delays, financial discrepancies, or strained relationships.
- ▶ Risk 5: Income is not allocated to rent accounts correctly and is not reconciled to income systems and the ledger, causing financial inaccuracies and reporting issues.
- ▶ Risk 6: Debt recovery processes may be ineffective or inconsistent, potentially leading to increased arrears and financial losses.
- ▶ Risk 7: Without regular surveys of fire safety, electric, heating, and water systems, deterioration within these systems can go unnoticed. This can lead to property damage through fire or contaminated systems which may pose serious health risks to tenants. There is also the risk of regulatory action where statutory inspections are not completed leading to fines or reputational damage.
- ▶ Risk 8: Requirements for cyclical and responsive repairs and maintenance are not defined or not adhered to resulting in property deterioration and increased repair costs.



SCOPE & APPROACH

The following areas will be covered as part of this review:

- ▶ Review property management procedures to ensure they adequately define roles and responsibilities for managing property including rentals, health and safety compliance checks and maintenance. We will also confirm they are up to date and accessible by all applicable officers. (Test 1)
- ▶ Test a sample of properties to confirm rental agreements are in place with clearly defined terms. (Test 2)
- ▶ Review the Council's arrangements for managing lease/rental agreement renewals to assess whether these are planned in advance. We will also test a sample of properties to confirm rent reviews have occurred in a timely manner and informed an appropriate outcome, ie rent increases in line with defined criteria. (Test 3)
- ▶ Test a sample of properties to determine if rental income is being invoiced correctly and in line with agreements. (Risk 4)
- ▶ Test a sample of invoices to ensure prompt and accurate allocation of tenant payments to rent accounts. (Risk 5)
- ▶ Confirm there is a documented debt recovery process. Test a sample of accounts with rent arrears and verify compliance with the process. (Risk 6)

- ▶ Review a sample of properties to determine whether statutory health and safety compliance checks have been completed within timescales, evidence of completion (such as certificates) has been retained, and remedial works completed promptly where required. This will cover fire safety, electric, heating and water systems. Where checks are the responsibility of tenants we will confirm how the council seeks assurance that they are completed. (Risk 7)
- ▶ We will review a sample of properties to determine if the property is being managed in line with its lease agreement (maintenance and repairs responsibilities including reactive repairs) (Risk 8)

Sample sizes will be determined following the completion of our walkthroughs using our Internal Audit Methodology; for example, if a control is performed daily, we may select a sample of fifteen and if monthly a sample of two to three. Where possible, full population testing will be conducted utilising data analytics.

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review. However, Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit.

A closing meeting will be held to discuss findings emerging from the review prior to issue of the draft report. Once the report and recommendations have been agreed following discussions with management, a summary of the findings will be presented to the Audit Committee]at its next meeting. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

In delivering this review BDO may need to observe and test confidential or personal identifiable data to ascertain the effective operation of controls in place. The organisation shall only provide the Shared Personal Data to BDO using secure methods as agreed between the parties. BDO will utilise the data in line with the Data Protection Act 2018 (DPA 2018), and the UK General Data Protection Regulation (UK GDPR) and shall only share Personal Data on an anonymised basis and only where necessary.



ADDED VALUE

In addition to the above areas, we will also:

- ▶ Benchmark the Council's approach to the use of assets by community and voluntary organisations to confirm if it is in line with other Councils.

Appendix VI - Responsibilities and conformance

Management responsibilities

The Global Internal Audit Standards (GIAS) refer to the ‘board’ as ‘the highest-level body charged with governance, such as a board of directors, an Audit Committee, a board of governors or trustees, or a group of elected officials or political appointees.’ For the Council, ‘the board’ is the Performance, Governance and Audit Committee (PGAC) acting on behalf of the Council.

The PGAC is responsible for determining the scope of internal audit work, and for deciding the action to be taken on the outcome of our findings from our work.

The PGAC is responsible for ensuring the internal audit function has:

- The support of the Council’s management team.
- Direct access and freedom to report to senior management, including the Chair of the PGAC.
- The AC is responsible for the establishment and proper operation of a system of internal control, including proper accounting records and other management information suitable for running the Council.

Internal controls covers the whole system of controls, financial and otherwise, established by the Council in order to carry on the business of the Council in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. The individual components of an internal control system are known as ‘controls’ or ‘internal controls’.

The PGAC is responsible for risk management in the organisation, and for deciding the action to be taken on the outcome of any findings from our work. The identification of risks and the strategies put in place to deal with identified risks remain the sole responsibility of the Council.

Limitations

The scope of the review is limited to the areas documented under Appendix V - Terms of reference. All other areas are considered outside of the scope of this review.

Our work is inherently limited by the honest representation of those interviewed as part of the review. Our work and conclusion is subject to sampling risk, which means that our work may not be representative of the full population.

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.

Conformance with the Global Internal Audit Standards in the UK Public Sector

This engagement has been conducted in accordance with Global Internal Audit Standards in the UK Public Sector, which encompass:

- ▶ The global Institute of Internal Auditors (IIA) *Global Internal Audit Standards* effective from January 2025
- ▶ The Internal Audit Standards Advisory Board (IASAB) *Application Note Global Internal Audit Standards in the UK Public Sector* effective from 1 April 2025.

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The matters raised in this report are only those which came to our attention during our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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Maldon District Council Internal Audit Report - Final HR System Review OCTOBER 2025

| | |
|-----------------------|--|
| Design Opinion |  Limited |
| Effectiveness Opinion |  Moderate |



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| DISTRIBUTION | |
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| Alastair Morrell | Resources Casework Manager, Strategy & Resources Directorate |

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

| REPORT STATUS | |
|--------------------------------|---|
| Auditors: | Aaron Winter - Partner and Chief Audit Executive Andrew Billingham - Internal Audit Manager Maggie Quigg - Internal Auditor |
| Dates work performed: | 7 May 2025 - 23 September 2025 (closing meeting) |
| Draft report issued: | 13 October 2025 |
| Management responses received: | 28 October 2025 |
| Final report issued: | 28 October 2025 |

Executive Summary

CRR REFERENCE: R31: INADEQUATE STAFFING STRUCTURE AND RESOURCE FOR RESILIENCE

| | | | | | |
|-----------------|---|---|---|---|----------|
| Design Opinion |  | Limited | Effectiveness Opinion |  | Moderate |
| Recommendations |  |  |  | | |



SCOPE

Background

- ▶ Maldon District Council (“the Council”) uses the “Access - SelectHR” package to help manage the employee lifecycle. In October 2024, the Council upgraded the system to allow staff enhanced functionality for self-service for staff and managers via “single sign-on”
- ▶ This included the ability for all staff to update personal data, emergency contacts and photos
- ▶ Managers were provided with a specific menu set which offered live data on direct reports including their training history, absence, Bradford scores and team calendar data.
- ▶ Sickness absence reporting then commenced in January 2025 including Bradford Score data for managers.
- ▶ Additional functionality was introduced in April 2025 to allow staff to view and request leave and for managers to approve and view this.
- ▶ As part of the upgrade, the Council recruited the services of a consultant through SelectHR to ensure a smooth transition. The consultant also provided training and guidance on how to use the upgraded system.
- ▶ The upgrade has led to improved staff data integrity. The system's enhanced transparency and accessibility also means that employees have greater visibility over their HR information. It has also reduced the administrative burden on HR staff, increasing overall efficiency.
- ▶ The Access - SelectHR contract is managed by the Council’s Lead HR Specialist and supported by the Senior HR Specialist and HR Specialist.

Purpose

- ▶ The purpose of the audit was to provide assurance that core HR processes are being adhered to following the introduction of the enhanced HR system in 2024.

Areas reviewed

- ▶ We examined relevant policies and procedure to ensure they have been updated to reflect the changes in the enhanced HR system.
- ▶ We reviewed training records to confirm all applicable Council staff have received training on the new system and sought to confirm that there is easily accessible guidance in place.
- ▶ We sent out a survey to Council staff to obtain assurance that they had a complete understanding of how to use the enhanced system.

- ▶ We sought to confirm that there is a service level agreement in place which included performance indicators to ensure the provider would be held accountable for its performance.
- ▶ We sought to confirm that regular contract management meetings are being held and to review relevant meeting minutes to determine that actions arising from the meetings have been followed up, escalated where necessary and signed off. We sought to confirm that these meetings addressed any concerns with poor performance.
- ▶ We confirmed whether appropriate user access permissions to the system were in place and that they had been updated as required ensuring user access logs are periodically reviewed. We selected a sample of employees to confirm permissions were appropriate.
- ▶ We sought to confirm that the system possesses an audit trail function, which records any changes made by officers and if any exception reporting was in place to monitor any inappropriate changes.
- ▶ We held discussions with Council staff to form a view as to whether there is enough knowledge / resilience within the team (including documented guidance) should key members of staff leave.
- ▶ We reviewed the process for examining the costs/benefits of using the HR system to verify it is accurate and efficient.
- ▶ We sought to confirm all recent and future enhancements were tested prior to access being granted to staff.



AREAS OF STRENGTH

- ▶ We reviewed the Staff Volunteering Scheme Policy to ensure that relevant policies and procedures have been updated to reflect the changes in the enhanced HR system. The Policy outlined key review dates and updates. The Council's policies and procedures are shared with staff via internal platforms (e.g. SharePoint) with accessibility of policies to staff across the organisation. We reviewed the Annual Leave Overview and Calculations Guide, last updated in May 2025. It explains the employees' leave overview and calculations and includes a step-by-step annual leave overview & calculations guide with pictures.
- ▶ We reviewed the Council's training plan for Caseworkers' holiday administration. It included six courses, totalling six hours. We verified via screenshots from the Select HR library, that sessions which covered login, self-service, and manager introductions are available. The HR Select update was communicated via email, sharing training details and access links. We also found recorded sessions focusing on knowledge transfer for the 'System Admin Guide' that had been undertaken within the team.
- ▶ We reviewed 10 user accounts from the full list of current employees and reconciled their permissions with their current job title and found the permissions were consistent with the expected access model.
- ▶ We carried out discussions with Council staff to assess whether sufficient knowledge resilience exists within the HR team and noted the Council has shown that it took steps to ensure continuity of the HR system and reduce reliance on individual staff members through the presence of live documentation, clear checklists and the ticketing system.
- ▶ We reviewed the CLT July 2025 report business case for the request for additional temporary resource for the HR system upgrade including the cost breakdown of using the HR system and found that it identified

efficiency savings and process improvements. We also found that the Council has an Access Select Optimisation plan which monitors the project plan, key milestones and costs.

- ▶ From our review of the pilot group testing feedback and the HR system board agenda from October 2024, we confirmed that enhancements are tested prior to staff being able to access them and that a risk log is also monitored at the HR System monthly meetings with the FreshService to track and resolve user queries and issues.

 **AREAS OF CONCERN**

- ▶ **Service Level Agreement (SLA):** The Council does not have a service level agreement (SLA) in place with the HR service provider. The Council recognises the need for an SLA and has informed us that they are actively pursuing the provider to establish a regular contract. As a result, regular contract management has not yet been set up. *(Finding 1 - High)*
- ▶ **IT User Permissions:** The Council currently does not have a formal set timescale in place for reviewing user permissions because the self-service functionality only went live in April 2025, and until then, access was not actively reviewed. No exception reporting has been established, and audit logs are not currently actively reviewed by HR or IT. *(Finding 2 - Medium)*
- ▶ **Enhancing Select HR System Efficiency and User Experience:** Based on 54 employee survey responses, we found that while a majority (67%) show some confidence and 70% feel they have received adequate training, challenges remain. These challenges affect both user comprehension and system efficiency, indicating that complete understanding has not been achieved. *(Finding 3 - Low)*

 **ADDED VALUE**

- ▶ We were unable to perform data analytics due to the absence of the underlying data. This did not impact our delivery of the core audit and scope areas outlined above. The additional insight delivering proposed analytics was intended to provide additional value, which may have assisted the Council in evaluating the system's implementation.

 **CONCLUSION**

Overall, we have provided limited assurance on the design and operational effectiveness of the controls in place to ensure adherence to core HR processes for the enhanced HR system introduced in 2024.

Control Design

- ▶ The control design is limited because the Council has a minimal system of internal controls to ensure core HR processes are being adhered to for the upgrade of the enhanced HR system. The Council have policies and guidance in place that have been updated and are accessible to employees.
- ▶ However, there is an absence of an SLA between the Council and the HR service provider that should be formalised. No regular contract management meetings in place to ensure accountability and monitoring of performance. Without an SLA in place, the provider lacks defined Key Performance Indicators (KPIs) to assess whether their service meets the

Council's expectations. Additionally, there is no mechanism to hold the provider accountable in the event of poor performance.

- ▶ Further improvements could be made to ensure the Council has a formal schedule to regularly review permissions, using existing groups to embed system changes, implement exception reporting, and actively review audit logs.
- ▶ We have therefore raised one high, and one medium priority rated recommendation regarding Control Design.

Control Effectiveness

- ▶ The control effectiveness is moderate because the Council has a general system of applying controls to ensure adherence to core HR processes for the enhanced HR system.
- ▶ This includes updating policies and procedures and ensuring they are accessible to staff. Providing training and guidance to employees to facilitate knowledge transfer within the team. The Council have identified efficiency savings and process improvements, they monitor the project plan and key milestones, to ensure enhancements to the system are tested before staff access them. With risk logs being monitored.
- ▶ However, survey results suggest that the Council should further analyse the data to enhance the HR system and ensure staff understanding is achieved.
- ▶ We have raised one low priority finding to enhance the control effectiveness.

Detailed Findings

| 1 Service Level Agreement (SLA) | |
|---------------------------------|---|
| TOR Risk 4 and 5: | <p>The HR system provider does not maintain the system or respond in a timely manner to issues or change requests from the Council leading to a lack of confidence in the provider/system.</p> <p>There are no contract management meetings with the provider to enable regular contract discussions to take place. Minutes and/or key actions are not formally recorded and are not actioned within agreed timescales, leading to insufficient oversight and failure to develop sound working relationships.</p> |
| Significance |  High |

 **FINDING**

We were advised by the Council’s Lead HR Specialist and Resources Casework Manager that there is currently no SLA in place, the Council are aware the need for an SLA and advised us that they have been chasing the provider to secure a regular contract. The Council’s intention going forward is to have quarterly meetings where KPIs will be regularly reviewed.

We reviewed an email trail between the Council and the Access People Customer Success Manager that validated the intention to have quarterly meetings. Furthermore, we did not identify any other alternative methods for contractor interactions and monitoring throughout the audit to support which has informed this finding

Root cause:

The absence of an SLA has led to unclear expectations and responsibilities between the Council and the HR service provider. There have also been communication issues between the provider and the Council.

Implication:

A lack of formal agreement can result in communication gaps, delayed issue resolution, and inefficiencies in service delivery.

 **RECOMMENDATION**

1a. The Council and the HR service provider should prioritise establishing a Service Level Agreement to set clear expectations and responsibilities. This should include:

- Regular quarterly meetings to facilitate ongoing communication and timely issue resolution.
- Developing Key Performance Indicators to help measure the system's success and identify areas for improvement.
- Implementation of a plan to rectify any deficiencies, with specific actions and deadlines.
- Clear accountability for service delivery, with designated contacts for escalation if necessary.



MANAGEMENT RESPONSE

1a. The Council welcomes this recommendation and fully recognises the importance of a formal SLA with the HR service provider.

We are actively following this up with our account manager to finalise a regular contract and aim to ensure that we can implement an arrangement which includes clear expectations, quarterly contract management meetings, and defined KPIs. The Account Manager has already responded to us since this draft report was provided and quarterly meetings have been arranged.

We will also implement a process for action planning and escalation to ensure accountability and continuous improvement. This will help maximise system performance and the customer experience.

We are committed to ensuring that any arrangement with the provider is an active tool for managing the relationship, driving continuous improvement, and maximising the value of the Select HR system for all users.

Responsible Officer:

1a. Al Morrell / Helen Norrington

Implementation Date:

1a. 31 March 2026

2 IT User Permissions

| | |
|---------------------|---|
| TOR Risk 6: | There are ineffective IT controls over access to the HR system, resulting in unauthorised changes being made. |
| Significance |  Medium |

 FINDING

The Council currently does not have a formal set timescale in place for reviewing user permissions because the self-service functionality only went live in April 2025, and until then, access was not actively reviewed. Since implementation, permissions are being reviewed on an ad-hoc basis by the HR team.

However, the Council has an ongoing project group focused on embedding system changes and continuous improvement. This group is also responsible for monitoring changes in access, data downloads, reporting structures, and system controls. As the system embeds, a formalised process and timescales for regular access review will be established.

No exception reporting is in place to monitor any inappropriate changes such as unusual access patterns or role mismatches, and audit logs are not currently actively reviewed by HR or IT. Management acknowledges this gap and has indicated that the responsibility and frequency of log review should be clarified.

Root cause:

The Council's lack of a formal timescale for reviewing user permissions stems from the recent implementation of self-service functionality, leading to ad-hoc reviews and highlighting the need for structured access management and clarified responsibilities.

Implication:

The absence of a formal timescale for reviewing user permissions increases security risks, compliance issues, operational inefficiencies, and accountability gaps.

 RECOMMENDATION

2a. The Council should:

- a. Establish a formal schedule for regular permission reviews.
- b. Consider the use of the project group to embed system changes and set clear timescales for access reviews.
- c. Implement exception reporting and actively review audit logs, clarifying responsibility and frequency for HR and IT.

 MANAGEMENT RESPONSE

2a. The Council accepts this recommendation and thanks the report writer for outlining the key elements of this to follow up.

Since the introduction of self-service functionality, we have been reviewing permissions on an ad-hoc basis. However, we will ensure that we formalise a schedule for regular permission reviews and clarify responsibilities between HR and IT for audit log review.

Our current Select HR working group will be tasked with embedding these changes and setting clear timescales. We will also explore implementing exception reporting to strengthen access controls and system security.

We will monitor the effectiveness of these controls and report progress to senior management to ensure that any improvements will strengthen system security, support compliance, and provide assurance to all stakeholders.

| | |
|-----------------------------|-----------------------------------|
| Responsible Officer: | 2a. Al Morrell / Helen Norrington |
| Implementation Date: | 2a. 31 March 2026 |

3 Enhancing Select HR System Efficiency and User Experience

| | |
|--------------|--|
| TOR Risk 3: | The process for employees to maintain their own data on the HR system is not well understood or easy to access causing data to be inaccurate or not current. |
| Significance |  Low |

FINDING

We were advised by the Council that training materials, including videos, and a Helpdesk are available for support. Managers are also trained to support staff queries.

We sent a survey to all Council staff to obtain assurance that they have a complete understanding of how to use the enhanced HR system.

We asked the following 10 questions:

1. How confident are you in using the HR system?
2. Thinking about the updates, guidance and videos that have been shared, do you feel that these have been adequate to support you in using Select HR? Has the update to the system allowed you to be more efficient and productive?
3. Do you feel you have access to enough resources to help you use the system effectively?
4. Thinking about the new functionality in the HR Select system i.e. leave requests, absence reporting - have these changes provided any efficiencies or benefits for you?
5. Can you give any examples?
6. Has the new system resulted in anything that is negative or less efficient?
7. How often, in general, do you use the Select HR in your daily tasks?
8. What areas of Select HR do you find most challenging to use?
9. How would you rate the support provided by the Resources and FreshService regarding the new system?
10. Do you have any suggestions for improving the system or the training provided?

We received 54 responses in total from staff at the Council. Our results were the following:

Question 1:

We found that 36 (67%) people rated their confidence in using the Select HR system as six or above, indicating they felt confident. With 10 being very confident.

The remaining 18 (33%) selected five or below, however no one stated they were not confident at all.

Question 2:

We found that 38 (70%) people selected 'Yes', indicating they felt they had received adequate training on the new system. The remaining 16 (30%) people selected 'No', suggesting they hadn't.

Question 3:

We found that 41 (76%) people said they have access to enough resources to help them to use the system effectively, while 13 (24%) people said 'No', they didn't.

Question 4:

We found that 20 (37%) people said the system provided efficiencies or benefits for them, while 34 (63%) people said 'No', it didn't.

Question 5: Examples of inefficiencies or benefits to employee.

- **Duplication and Complexity:** Many users find the system adds extra steps and requires recording leave in multiple places, leading to duplication and increased complexity.
- **Integration and Accessibility:** There is a desire for better integration with existing systems like Outlook to streamline processes and make team calendars more accessible.
- **User Experience:** Opinions vary, with some finding the system cumbersome and others appreciating features like tracking leave and viewing team calendars.
- **Approval Process:** Issues arise when managers are unavailable, causing delays in leave approval and requiring additional communication methods.
- **Efficiency and Benefits:** While some users see potential benefits in tracking leave and managing information, others feel the system lacks efficiency and adds unnecessary bureaucracy.

Question 6:

We found that 31(57%) people said the new system resulted in negative outcomes and was less efficient, while 23(43%) people said it didn't.

Question 7:

People selected the following options for how often they use the HR system in their daily tasks:

- Daily: 7 people - 13%
- Weekly: 23 people - 43%
- Monthly: 10 people - 19%
- Rarely: 14 people - 26%

Question 8:

- **User-Friendliness:** Many users find the system complex and not intuitive, making it difficult to locate specific options like requesting TOIL or managing emergency contacts.
- **Integration Issues:** There is frustration with having to use multiple systems to manage leave and time, leading to duplication and inefficiency.
- **Approval Process:** Concerns are raised about the approval process, especially when managers are unavailable, leaving staff without an alternative route for approval.
- **Line Management:** The system's assumptions about line management roles can cause delays and double handling, particularly in teams with flexible work patterns.
- **Limited Use:** Some users only use the system for specific tasks like requesting leave, indicating a lack of engagement with other features.
- **Complexity:** Overall, the system is seen as too complex, adding to the workload of users who are already managing multiple responsibilities.

Question 9:

People selected the following options for how they would rate the support provided by the Resources and Freshservice regarding the new system:

- Excellent: 16 people -29.6%
- Good: 26 people - 48.1%
- Fair: 10 people - 18.5%
- Poor: 2 people-0.037%

Question 10:

Key themes for improvements:

- **Integration and Efficiency:** Many people want a more integrated system that combines tasks like recording leave, overtime, and TOIL without needing separate spreadsheets or systems. They want everything in one place to avoid duplication and streamline processes.
- **Training and Support:** There is a call for more comprehensive training, including live sessions and e-learning, to ensure users are confident in using the system correctly.
- **System Functionality:** Suggestions include adding features like changing personal email addresses, linking leave to Outlook calendars, and incorporating timesheets and flexi time into the system.
- **User Experience:** Some users find the system less intuitive and prefer the previous methods. There are concerns about recording leave in hours rather than days and the visibility of pay grades.
- **Positive Feedback:** Despite some criticisms, there are positive remarks about the system's rollout and the hard work of the team involved. Some users appreciate the current system and its potential for further development.

Overall:

We found that, based on survey responses, while a majority (67%) demonstrate some confidence and 70% feel they have received adequate training, challenges still remain that impact both user comprehension and system efficiency indicating that complete understanding was not met.

Key issues are outlined as follows:

- Around one-third of users lack confidence or adequate training, finding the system time consuming and not intuitive to use
- System inefficiencies, with many reporting duplications of effort and cumbersome approval processes
- Only 56% of staff use the HR system weekly or more frequently some staff only use it for requesting leave
- While support resources are rated positively, staff would like more comprehensive training

Root cause:

System efficiency seems to be insufficient training and support for the complexities of the system, leading to a lack of confidence among users. However, this could be due to the early implementation in the process.

Implication:

Potential risks could result in reduced system efficiency, duplicated efforts, cumbersome processes, and limited usage of the HR system, highlighting the need for more comprehensive training and streamlined processes.



RECOMMENDATION

3a. The Council should analyse the results of the audit survey and establish whether there are any areas where further support and guidance could be offered to staff to improve the HR system effectiveness.



MANAGEMENT RESPONSE

3a. Again, we welcome and appreciate this recommendation and acknowledges the valuable feedback from the staff survey.

We are committed to analysing the survey results in detail in order to continue to provide the best possible service we can in line with resource availability.

We will identify areas where additional support, training, or system improvements are needed. We will work with staff to address concerns around system complexity, duplication, and integration, and will enhance training resources to ensure all users can maximise the benefits of Select HR.

| | |
|-----------------------------|-----------------------------------|
| Responsible Officer: | 3a. Al Morrell / Helen Norrington |
|-----------------------------|-----------------------------------|

| | |
|-----------------------------|-------------------|
| Implementation Date: | 3a. 31 March 2026 |
|-----------------------------|-------------------|

Appendix I - Definitions

| LEVEL OF ASSURANCE | DESIGN OF INTERNAL CONTROL FRAMEWORK | | OPERATIONAL EFFECTIVENESS OF CONTROLS | |
|--------------------|--|--|---|--|
| | FINDINGS FROM REVIEW | DESIGN OPINION | FINDINGS FROM REVIEW | EFFECTIVENESS OPINION |
| Substantial | Appropriate procedures and controls in place to mitigate the key risks. | There is a sound system of internal control designed to achieve system objectives. | No, or only minor, exceptions found in testing of the procedures and controls. | The controls that are in place are being consistently applied. |
| Moderate | In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective. | Generally a sound system of internal control designed to achieve system objectives with some exceptions. | A small number of exceptions found in testing of the procedures and controls. | Evidence of non compliance with some controls, that may put some of the system objectives at risk. |
| Limited | A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year. | System of internal controls is weakened with system objectives at risk of not being achieved. | A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year. | Non-compliance with key procedures and controls places the system objectives at risk. |
| No | For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Poor system of internal control. | Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Non compliance and/or compliance with inadequate controls. |

RECOMMENDATION SIGNIFICANCE

| | |
|---------------|--|
| High | A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently. |
| Medium | A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action. |
| Low | Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency. |

Appendix II - Terms of Reference



BACKGROUND & PURPOSE

BACKGROUND

- ▶ Maldon District Council (“the Council”) uses the “Access - SelectHR” package to help manage the employee lifecycle. In October 2024, the Council upgraded the system to allow staff enhanced functionality for self-service for staff and managers via “single sign-on”
- ▶ This included the ability for all staff to update personal data, emergency contacts and photos
- ▶ Managers were provided with a specific menu set which offered live data on direct reports including their training history, absence, Bradford scores and team calendar data.
- ▶ Sickness absence reporting then commenced in January 2025 including Bradford Score data for managers.
- ▶ Additional functionality was introduced in April 2025 to allow staff to view and request leave and for managers to approve and view this.
- ▶ As part of the upgrade, the Council recruited the services of a consultant through SelectHR to ensure a smooth transition. The consultant also provided training and guidance on how to use the upgraded system.
- ▶ The upgrade has led to improved staff data integrity. The system's enhanced transparency and accessibility also means that employees have greater visibility over their HR information. It has also reduced the administrative burden on HR staff, increasing overall efficiency.
- ▶ The Access - SelectHR contract is managed by the Council’s Lead HR Specialist and supported by the Senior HR Specialist and HR Specialist.

PURPOSE

- ▶ The purpose of the audit is to provide assurance that core HR processes are being adhered to for the enhanced HR system introduced in 2024.

CRR REFERENCE

- ▶ R31: Inadequate staffing structure and resource for resilience



KEY RISKS

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the potential key risks associated with the area under review are:

- ▶ Risk 1: Policies and procedures have not been updated to reflect the changes in processes and embedded within the enhanced HR system, resulting in a lack of consistency in its use from staff.
- ▶ Risk 2: Council staff have not received training on using the enhanced HR system and consequently are not benefitting from the system capabilities.
- ▶ Risk 3: The process for employees to maintain their own data on the HR system is not well understood or easy to access causing data to be inaccurate or not current.
- ▶ Risk 4: The HR system provider does not maintain the system or respond in a timely manner to issues or change requests from the Council leading to a lack of confidence in the provider/system.

- ▶ Risk 5: There are no contract management meetings with the provider to enable regular contract discussions to take place. Minutes and/or key actions are not formally recorded and are not actioned within agreed timescales, leading to insufficient oversight and failure to develop sound working relationships.
- ▶ Risk 6: There are ineffective IT controls over access to the HR system, resulting in unauthorised changes being made.
- ▶ Risk 7: Knowledge of how to use the HR system is restricted to only a few employees resulting in a lack of resilience and a potential inability to make amendments.
- ▶ Risk 8: The cost and benefits of implementing the new HR system are not well understood and/or efficiently calculated.
- ▶ Risk 9: The HR system has not been sufficiently tested to ensure it is fit for purpose and any issues have been resolved.



ADDED VALUE

In addition to the above areas and based on the SelectHR system capabilities, we will also consider the use of data analytics to potentially examine the following:

- ▶ Sick leave is recorded promptly
- ▶ Leave approvals are completed promptly
- ▶ Leave balances are recorded correctly
- ▶ Timesheets are added for all applicable staff

Appendix III - Responsibilities and Conformance

Management responsibilities

The Global Internal Audit Standards (GIAS) refer to the 'board' as 'the highest-level body charged with governance, such as a board of directors, an Audit Committee, a board of governors or trustees, or a group of elected officials or political appointees.' For the Council, 'the board' is the Performance, Governance and Audit Committee (PGAC) acting on behalf of the Council.

The PGAC is responsible for determining the scope of internal audit work, and for deciding the action to be taken on the outcome of our findings from our work.

The PGAC is responsible for ensuring the internal audit function has:

- The support of the Council's management team.
- Direct access and freedom to report to senior management, including the Chair of the PGAC.
- The PGAC is responsible for the establishment and proper operation of a system of internal control, including proper accounting records and other management information suitable for running the Council.

Internal controls covers the whole system of controls, financial and otherwise, established by the Council in order to carry on the business of the Council in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. The individual components of an internal control system are known as 'controls' or 'internal controls'.

The PGAC is responsible for risk management in the organisation, and for deciding the action to be taken on the outcome of any findings from our work. The identification of risks and the strategies put in place to deal with identified risks remain the sole responsibility of the Council.

Limitations

The scope of the review is limited to the areas documented under Appendix II - Terms of reference. All other areas are considered outside of the scope of this review.

Our work is inherently limited by the honest representation of those interviewed as part of the review. Our work and conclusion is subject to sampling risk, which means that our work may not be representative of the full population.

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.

Conformance with the Global Internal Audit Standards in the UK Public Sector

This engagement has been conducted in accordance with Global Internal Audit Standards in the UK Public Sector, which encompass:

- ▶ The global Institute of Internal Auditors (IIA) *Global Internal Audit Standards* effective from January 2025
- ▶ The Internal Audit Standards Advisory Board (IASAB) *Application Note Global Internal Audit Standards in the UK Public Sector* effective from 1 April 2025.

FOR MORE INFORMATION:

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The matters raised in this report are only those which came to our attention during our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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Maldon District Council Internal Audit Report - Final

FOOD SAFETY
FEBRUARY 2026

| | |
|-----------------------|---------------|
| Design Opinion | ● Substantial |
| Effectiveness Opinion | ● Substantial |



IDEAS | PEOPLE | TRUST

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| For information: | |
| Ben Jay | Director of Finance |

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

| REPORT STATUS | |
|--------------------------------|---|
| Auditors: | Aaron Winter - Partner Andrew Billingham - Internal Audit Manager Maggie Quigg - Internal Auditor |
| Dates work performed: | 9 December 2025 - 30 January 2026 (closing meeting) |
| Draft report issued: | 2 February 2026 |
| Management Responses Received: | 10 February 2026 |
| Final report issued: | 10 February 2026 |

Executive summary

| | | | |
|-----------------|--|---------------------------------------|--|
| Design Opinion | ● Substantial | Effectiveness Opinion | ● Substantial |
| Recommendations | 0 | 0 | 0 |

 SCOPE

Background

- ▶ Maldon District Council (the “Council”) is responsible for enforcing the Food Safety Act (FSA) 1999 across the district, including the inspection of premises that handle food, to ensure that premises are hygienic, food is safe and infectious disease is kept under control. There are currently 565 food premises within the Maldon district on the public register, which is published on the Council’s website.
- ▶ Food premises are required to register with the Council, 28 days before any food may be prepared or sold. Registration is free but as it is a legal requirement, the onus is on businesses to register.
- ▶ The Council’s Food, Health and Safety service is currently in a period of transition, with capacity challenges affecting the day-to-day delivery. The Council is currently employing contractors to help with the food safety inspections and a new head of service started on 01/12/2025.
- ▶ Premises are inspected by Environmental Health Officers (EHOs) under a programme of unannounced visits, to ensure that food hygiene and safety requirements are met. Hygiene ratings are awarded to businesses (except those which are exempt) producing or serving food within the district, under the National Food Hygiene Rating Scheme. In carrying out inspections, the EHOs are required to follow the Food Standards Agency’s (FSA’s) Food Law Code of Practice (the Code). The FSA also has criteria which local authorities must adhere to relating to the number of premises to be inspected in a year, based on the risk rating. All newly registered premises must be inspected within a year.
- ▶ Local authorities have statutory powers to take food samples to verify whether products are safe (microbiological contamination testing) and what they say they are (compositional testing). The Code states that routine food sampling is an essential part of a well-balanced enforcement service. Local authorities receive credits from the UH Health Security Agency (UKHSA) to fund the transportation and examination of microbiological samples, and the Council also carries out local and discretionary sampling.
- ▶ The Council is required to submit a detailed biannual return to the FSA, outlining the inspection visits and sampling conducted throughout the year.

Purpose

- ▶ The purpose of this audit was to provide assurance over the adequacy and effectiveness of the key processes and controls in place for the inspection of premises and enforcement activities related to food safety.

Areas reviewed

- ▶ We reviewed policies and procedures to ensure they were clearly defined, complied with the FSA and the Code, were up to date, and accessible to staff.
- ▶ We reviewed how the Council publicised the duty for food premises to register with the Council.
- ▶ We reviewed how the Council monitored Environmental Health Officers (EHOs) to ensure they completed their required CPD hours for their environmental health qualifications. We confirmed whether the Council kept records of their competency and qualifications. We reviewed training records to ensure all staff had completed recent food safety training.
- ▶ We confirmed there was a documented rationale for risk assessing premises. We tested a sample of premises to confirm an appropriate risk rating had been applied.
- ▶ We reviewed the process to identify new premises either reactively via the registration process or proactively via other means. We tested a sample of five new food premises to confirm they were inspected on a timely basis. We also tested a sample of five existing food premises to confirm that they had been inspected in line with their risk rating. We further checked the Council's arrangements to prioritise food premises that the Council believed were operating without inspections and action taken on overdue inspections.
- ▶ We confirmed there was an established process to receive complaints from the members of the public. We tested a sample of three complaints to ensure the correct process had been followed.
- ▶ We tested a sample of ten inspected premises to confirm whether sufficient evidence had been maintained to support the hygiene rating. We also assessed whether technology had been effectively used to aid the process for record keeping and achieve efficiency.
- ▶ We confirmed that the Council's enforcement policy clearly detailed when enforcement action was necessary. We tested a sample of one completed inspection which had warranted enforcement action to ensure they complied with the enforcement policy.
- ▶ We reviewed controls in place to support accurate KPI reporting (the percentage of broadly compliant food premises) and accurate reporting of inspections and sampling carried out in the annual return to the FSA. Where poor performance was identified, we confirmed whether action plans were in place to address this.



AREAS OF STRENGTH

- ▶ We reviewed the Council's Food Safety Plan, Environmental Health, Waste and Environment Enforcement Policy, and Environmental Health, Waste and Climate Action Service Plan, including the Performance, Internal Monitoring and Quality Control procedure and the RIAMS procedures. We confirmed that the plans, policies, and procedures are clearly defined and comprehensive. They aligned with the Food Standards Agency (FSA) and the Code. We confirmed that all documents are up to date (approved October 2025), with policies and procedures accessible to all Environmental Health staff, including Environmental Health Officers (EHOs), apprentices, administrative staff, and managers.

- ▶ Our review of the Council's website confirms that the Council clearly publishes the duties for food premises and provides clear instructions for businesses on how to register with the Council to meet both Council and FSA requirements.
- ▶ The Council has a comprehensive Environmental Health Competency and Skills Matrix for both manager and officer levels, outlining details of all training completed, CPD records, and skills held. We confirmed that the Environmental Health Manager and one of the team's environmental officers attend the Essex Food Liaison Group, which provides specialist and niche training, as verified by the training evidence provided. We also confirmed that team members of the Environmental Health team are fully qualified and professionally registered with the Environmental Health Officers Registration Board (EHRB).
- ▶ We confirmed that the Council adheres to the Food Law Code of Practice issued on 23 October 2025 by the Food Standards Agency (FSA). The Food Law Code of Practice provides guidelines for food hygiene scoring systems, addressing intervention ratings and minimum frequencies for interventions at all food establishments. The Environmental Health Manager conducts fortnightly and monthly reviews to ensure inspections are logged accurately, risk scores are consistent, and there is alignment between inspection notes and scores. Any discrepancies are discussed directly with officers.
- ▶ We selected a sample of five premises with varying ratings (B - E) that had registered with the Council since April 2025. We confirmed there was evidence to show all five premises were appropriately rated according to the Food Law Code of Practice 2025.
- ▶ We confirmed the Council's Environmental Health Manager manages the inspection process for food premises through an annual Uniform report generated on 1 April. This report includes a comprehensive list of programmed inspections, new premises requiring inspection, and outstanding inspections from the previous year, with inspections allocated in three-month blocks. As of December 2025, there was a backlog of only eight inspections, which decreased from 14 inspections in November 2025.
- ▶ We selected a sample of 10 food premises, including five new food premises that have registered since April 2025 and five existing food premises. We confirmed that three out of the five newly registered businesses were inspected within three weeks of registration. The remaining two were inspected later due to specific circumstances, such as being a low-risk festival pop-up or not yet operational. For existing food premises samples, we confirmed that all four applicable inspections were conducted within the required timeframes, with one premises no longer operating and not requiring inspection.
- ▶ We found that the Uniform system's automatic scheduling, which is based on risk ratings, ensures that inspections are conducted in accordance with food safety standards. This demonstrates the Council's commitment to maintaining food safety and compliance.
- ▶ We reviewed the Environment Services Food and Safety Quality Systems Food Complaints procedure and found that it is up to date, with its next review scheduled for January 2027. We confirmed the procedure outlines the purpose, responsibilities, and step-by-step requirements for logging a complaint into the Uniform system and indexing it to Civica.

- ▶ From our testing of three food complaints since April 2025, we confirmed the Environment Health Commercial team has adhered to the documented procedure. The complaints were received by the Council, logged into Uniform, indexed to Civica, and assigned to an officer. We confirmed that all subsequent inspections, visits, and actions were logged and followed for all three complaints.
- ▶ Our sample testing of 10 existing food premises, inspected between 1 April 2025 and 31 December 2025, confirmed that the Council has maintained sufficient evidence to support the hygiene ratings. One of the premises was found to be closed and thus excluded from testing. Among the remaining nine premises, two were E-rated, and we verified that the required questionnaire and accompanying letter were completed and returned by the premises. For the other seven premises, rated A, B, C, and D, we confirmed that the Council had retained adequate evidence in the form of inspection reports and scoring sheets. Additionally, the Council's use of the Uniform and Civica systems effectively supports the process of record-keeping and monitoring, ensuring efficiency and accuracy in maintaining hygiene standards.
- ▶ Our review of the Council's Environmental Health, Waste, and Environment Enforcement Policy found that the policy clearly outlines the criteria for officers to use when deciding what action to take when carrying out their statutory duties on behalf of the Council.
- ▶ From our sample testing of enforcement actions, we found that only one premise since April 2025 resulted in enforcement action. For that instance, we found all documentation had been retained, including the Hygiene Emergency Prohibition notice, letter of confirmation of business ownership and business details, notice of intention to apply for a Hygiene Emergency Prohibition Order, email communications to the business owners of the notice served and court date, and statements of witness by the Council's Environmental Health Officers who completed the inspection and provided relevant diagram and photographic evidence. We are satisfied the required action had been taken to this point.
- ▶ Our review of the Food Hygiene Local Authority return for April 2025 (Q3 and Q4) and October 2025 (Q1 and Q2) confirmed that the Environmental Health Manager completed the FSA bi-annual returns. These returns are extensive, including details about staff resources, interventions, enforcement actions, complaints, samples, and other activities related to food hygiene at the Council. We confirmed via service updates and the balance scorecards that KPIs are monitored regularly, and if poor performance is identified, it is escalated to senior management.
- ▶ We confirmed that a delivery update was given on KPIs for the months of April, September 2025, and February 2026. We noted that for April 2025, 97.2% of programmed food hygiene inspections had been completed up to the end of October 2025. In September 2025, 93% of programmed food hygiene inspections had been completed up to the end of November. For February 2026, 96% of programmed food hygiene inspections had been completed up to the end of December 2025. It is noteworthy that the number of inspections increased from 180 programmed inspections in April 2024 to 212 programmed inspections in February 2026 however, the team was able to keep within their KPI target of 90%.



AREAS OF CONCERN

- ▶ Through our review and testing, we have not identified any areas of concern regarding the key processes and controls in place for the inspection of premises and enforcement activities related to food safety.



ADDED VALUE

- ▶ We benchmarked policies and processes against other local authorities where we have conducted a similar audit, which helped inform our conclusions in the areas of strength.



CONCLUSION

- ▶ We have concluded substantial assurance over the design of the control framework and the operational effectiveness of the key processes and controls in place for the inspection of premises and enforcement activities related to food safety.

Control Design

- ▶ Overall, we found that the Council has a robust design of the key processes and controls in place for the inspection of premises and enforcement activities related to food safety. We found that the Council has up-to-date, strong policies and procedures in place that are clearly defined and comprehensive, including alignment with the Food Standards Agency (FSA) and the Code. The Council maintains Environmental Health Competency and Skills Matrices for Environmental Health Officers.
- ▶ The Council’s website outlines clear instructions for businesses on how to register with the Council to meet both Council and FSA requirements. The Council’s use of the Uniform system and Civica allows for automated controls to help the Environmental Team set a structure for performance targets and record-keeping.

Control Effectiveness

- ▶ Our testing found that operational effectiveness relating to the key processes and controls in place for the inspection of premises and enforcement activities related to food safety was strong, with a high level of oversight and monitoring completed. Inspections for new and existing premises had been completed in a timely manner and conducted in accordance with their risk ratings. Premises were appropriately rated according to the Food Law Code of Practice 2025.
- ▶ Additionally, the Council’s use of the Uniform and Civica systems effectively supports the process of record-keeping and monitoring, ensuring efficiency and accuracy in maintaining hygiene standards. The environmental team has been reducing the backlog of inspections from month to month, including keeping within their KPI targets. All inspections, complaints, and enforcement actions had evidence retained and an audit trail on the system.

Appendix I - Definitions

| LEVEL OF ASSURANCE | DESIGN OF INTERNAL CONTROL FRAMEWORK | | OPERATIONAL EFFECTIVENESS OF CONTROLS | |
|--------------------|--|--|---|--|
| | FINDINGS FROM REVIEW | DESIGN OPINION | FINDINGS FROM REVIEW | EFFECTIVENESS OPINION |
| Substantial | Appropriate procedures and controls in place to mitigate the key risks. | There is a sound system of internal control designed to achieve system objectives. | No, or only minor, exceptions found in testing of the procedures and controls. | The controls that are in place are being consistently applied. |
| Moderate | In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective. | Generally a sound system of internal control designed to achieve system objectives with some exceptions. | A small number of exceptions found in testing of the procedures and controls. | Evidence of non compliance with some controls, that may put some of the system objectives at risk. |
| Limited | A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year. | System of internal controls is weakened with system objectives at risk of not being achieved. | A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year. | Non-compliance with key procedures and controls places the system objectives at risk. |
| No | For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Poor system of internal control. | Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Non compliance and/or compliance with inadequate controls. |

RECOMMENDATION SIGNIFICANCE

| | |
|---------------|--|
| High | A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently. |
| Medium | A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action. |
| Low | Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency. |

Appendix II - Sample testing

Risk 3 - Risk Rating

| Sample | Reference | Date of Registration | Risk Rating |
|--------|----------------|----------------------|-------------|
| 1 | 25/00044/CPREM | 25/04/2025 | D |
| 2 | 25/00052/CPREM | 20/05/2025 | E |
| 3 | 25/00070/CPREM | 10/07/2025 | C |
| 4 | 25/00086/CPREM | 15/09/2025 | B |
| 5 | 25/00101/CPREM | 10/12/2025 | E |

Risk 4 - New Premises - Timely

| Sample | Reference | Date of Registration/Date Inspection due | Risk Rating | New or existing Premises? |
|--------|------------------|--|-------------|---------------------------|
| 1 | 25/00044/CPREM | 25/04/2025 | D | New |
| 2 | 25/00052/CPREM | 20/05/2025 | E | New |
| 3 | 25/00070/CPREM | 10/07/2025 | C | New |
| 4 | 25/00086/CPREM | 15/09/2025 | B | New |
| 5 | 25/00101/CPREM | 10/12/2025 | E | New |
| 6 | 22/00036/CPREM | 11/04/2025 | E | Existing |
| 7 | 23/00027/CPREM | 11/04/2025 | D | Existing |
| 8 | 10/00053/CPREM | 02/05/2025 | E | Existing |
| 9 | 09/00025/CPREM | 06/06/2025 | D | Existing |
| 10 | 04580/4000/0/005 | 04/08/2025 | D | Existing |

Risk 5 - Complaints

| Sample | Reference | Date of Complaint | Risk Rating |
|--------|----------------|-------------------|-------------|
| 1 | 25/01732/FHCOM | 18/09/2025 | D |
| 2 | 25/00786/FHCOM | 15/05/2025 | E |
| 3 | 25/00232/FHCOM | 14/02/2025 | C |

Appendix D - Risk 6 - Inspections

| Sample | Reference | Date Inspection due | Risk Rating |
|--------|------------------|---------------------|-------------|
| 1 | 22/00036/CPREM | 11/04/2025 | E |
| 2 | 23/00027/CPREM | 11/04/2025 | D |
| 3 | 10/00053/CPREM | 02/05/2025 | E |
| 4 | 09/00025/CPREM | 06/06/2025 | D |
| 5 | 04580/4000/0/005 | 04/08/2025 | D |
| 6 | 24/00017/CPREM | 19/09/2025 | C |
| 7 | 18/00037/CPREM | 22/09/2025 | D |
| 8 | 21/00053/CPREM | 10/10/2025 | B |
| 9 | 14/00022/CPREM | 21/11/2025 | B |
| 10 | 05/00001/CPREM | 12/12/2025 | A |

Appendix E - Risk 7 - Enforcements

| Sample | Reference | Date Inspection due | Risk Rating |
|--------|----------------|---------------------|-------------|
| 1 | 05/00001/CPREM | 12/12/2025 | A |

Appendix III - Terms of Reference



KEY RISKS

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the potential key risks associated with the area under review are:

- ▶ **Risk 1: Internal Policies and Procedures:** There is a lack of clear policies and procedures, resulting in inconsistent practices, potential non-compliance with the FSA and the Code, causing unsafe practices to continue.
- ▶ **Risk 2: Officer Training, Qualifications & Continuing Professional Development (CPD):** EHOs' training, qualifications and CPD may not be adequately maintained, leading to gaps in knowledge and skills. This can result in ineffective inspections and failure to comply with regulatory standards, potentially causing reputational damage.
- ▶ **Risk 3: Risk Assessment of Premises (Inspection Frequency):** The rationale for completing risk assessments on premises to determine inspection frequency may not be robust or transparent. This can result in either over-inspection, causing an inefficient use of resources, or under-inspection, increasing the risk of non-compliance and health hazards.
- ▶ **Risk 4: Inspections:** Food hygiene inspections are not carried out on a timely basis, in line with the documented risk rationale, including inspection of new food premises, leading to potential food safety outbreaks.
- ▶ **Risk 5: Complaints:** There may be an inadequate process to receive complaints from the members of the public, resulting in food safety issues not being addressed.
- ▶ **Risk 6: Record Keeping & Information Management:** Record keeping may be inadequate or inconsistent, resulting in incomplete or inaccurate data. This can hinder effective monitoring and reporting, leading to regulatory breaches and a lack of accountability.
- ▶ **Risk 7: Enforcement:** Failure to take adequate and appropriate action on food safety issues identified from inspections, sampling, and complaints investigations poses a risk of non-compliance with food safety regulations. This could lead to health hazards for consumers and potential legal consequences for the business.
- ▶ **Risk 8: Monitoring & Reporting:** Monitoring processes may lack sufficient rigour or timeliness, allowing issues to go unnoticed or unresolved. This can lead to inaccurate reporting of KPI performance or incorrect information in the annual return to the FSA, potentially compromising compliance and accountability.



SCOPE & APPROACH

The following areas will be covered as part of this review. We will:

- ▶ Review policies and procedures to ensure they are clearly defined, comply with the FSA and the Code, are up to date and accessible to staff. (Risk 1).
- ▶ Review how the Council publicises the duty for food premises to register with the Council. (Risk 1)
- ▶ Review how the Council monitors EHOs to ensure they complete their required CPD hours for their environmental health qualifications. Confirm whether the Council keep records of their competency and qualifications.

Review training records to ensure all staff have completed recent food safety training. (Risk 2)

- ▶ Confirm there is a documented rationale for risk assessing premises. Test a sample of premises to confirm an appropriate risk rating has been applied. (Risk 3)
- ▶ Review the process to identify new premises either reactively via the registration process or proactively via other means. Test a sample of new food premises to confirm they were inspected on a timely basis. We will also test a sample of existing food premises to confirm that they have been inspected in line with their risk rating. We will further check the Councils' arrangements to prioritise food premises that the Council believes are operating without an inspections and action taken on overdue inspections. (Risk 4)
- ▶ Confirm there is an established process to receive complaints from the members of the public. We will test a sample of complaints to ensure the correct process has been followed. (Risk 5)
- ▶ Test a sample of inspected premises to confirm whether sufficient evidence has been maintained to support the hygiene rating. We will also assess whether technology has been effectively used to aid the process for record keeping and achieve efficiency. (Risk 6)
- ▶ Confirm that the Council's enforcement policy clearly details when enforcement action is necessary. Test a sample of completed inspections which have warranted enforcement action to ensure they comply with the enforcement policy. (Risk 7)
- ▶ Review controls in place to support accurate KPI reporting (the percentage of broadly compliant food premises) and accurate reporting of inspections and sampling carried out in the annual return to the FSA. Where poor performance is identified, we will confirm whether action plans are in place to address this. (Risk 8)

Sample sizes will be determined following the completion of our walkthroughs using our Internal Audit Methodology; for example, if a control is performed daily, we may select a sample of fifteen and if monthly a sample of two to three. Where possible, full population testing will be conducted utilising data analytics.

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review. However, Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit.

A closing meeting will be held to discuss findings emerging from the review prior to issue of the draft report. Once the report and recommendations have been agreed following discussions with management, a summary of the findings will be presented to the Performance, Governance and Audit Committee at its next meeting. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

In delivering this review BDO may need to observe and test confidential or personal identifiable data to ascertain the effective operation of controls in place. The organisation shall only provide the Shared Personal Data to BDO using secure methods as agreed between the parties. BDO will utilise the data in line with the Data Protection Act 2018 (DPA 2018), and the UK General Data Protection Regulation (UK GDPR) and shall only share Personal Data on an anonymised basis and only where necessary.

Appendix IV - Responsibilities and conformance

Management responsibilities

The Global Internal Audit Standards (GIAS) refer to the 'board' as 'the highest-level body charged with governance, such as a board of directors, an Audit Committee, a board of governors or trustees, or a group of elected officials or political appointees.' For the Council, 'the board' is the Performance, Governance and Audit Committee (PGAC acting on behalf of the Council).

The PGAC is responsible for determining the scope of internal audit work, and for deciding the action to be taken on the outcome of our findings from our work.

The AC is responsible for ensuring the internal audit function has:

- The support of the Council's management team.
- Direct access and freedom to report to senior management, including the Chair of the PGAC.
- The PGAC is responsible for the establishment and proper operation of a system of internal control, including proper accounting records and other management information suitable for running the Council.

Internal controls covers the whole system of controls, financial and otherwise, established by the Council in order to carry on the business of the Council in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. The individual components of an internal control system are known as 'controls' or 'internal controls'.

The PGAC is responsible for risk management in the organisation, and for deciding the action to be taken on the outcome of any findings from our work. The identification of risks and the strategies put in place to deal with identified risks remain the sole responsibility of the Council.

Limitations

The scope of the review is limited to the areas documented under Appendix III - Terms of reference. All other areas are considered outside of the scope of this review.

Our work is inherently limited by the honest representation of those interviewed as part of the review. Our work and conclusion is subject to sampling risk, which means that our work may not be representative of the full population.

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.

Conformance with the Global Internal Audit Standards in the UK Public Sector

This engagement has been conducted in accordance with Global Internal Audit Standards in the UK Public Sector, which encompass:

- ▶ The global Institute of Internal Auditors (IIA) *Global Internal Audit Standards* effective from January 2025
- ▶ The Internal Audit Standards Advisory Board (IASAB) *Application Note Global Internal Audit Standards in the UK Public Sector* effective from 1 April 2025.

FOR MORE INFORMATION:

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The matters raised in this report are only those which came to our attention during our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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MALDON DISTRICT COUNCIL

Internal Audit Report - Final

Safeguarding

January 2026

| | |
|-----------------------|--|
| Design Opinion |  Moderate |
| Effectiveness Opinion |  Moderate |



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| DISTRIBUTION | |
|-------------------------|---|
| Sue Green | Director of Neighbourhood Services & Communities |
| Daniel Cannon | Head of Community Safety and Customer Services, Service Delivery Directorate (Safeguarding Lead) |
| <u>For information:</u> | |
| Ben Jay | Director of Finance (Section 151) |

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

| REPORT STATUS | |
|--------------------------------|---|
| Auditors: | Aaron Winter, Partner Andrew Billingham, Audit Manager (Quality Assurance) Valerie Garriques, Assistant Audit Manager |
| Dates work performed: | 24 July - 13 October 2025 |
| Draft report issued: | 21 October 2025, 22 December 2025 and 20 January 2026 |
| Management Responses Received: | 28 November 2025, 13 January 2025 and 23 January 2026 |
| Final report issued: | 26 January 2026 |

Executive summary

| | | | |
|-----------------|---|-----------------------|--|
| Design Opinion | ● Moderate | Effectiveness Opinion | ● Moderate |
| Recommendations | 0 1 1 | | |

SCOPE

Background

- ▶ Safeguarding is a shared Council responsibility. Employees, service providers, and contractors have a statutory duty, under the Care Act 2014 and the 2004 Children’s Act to work collaboratively while fulfilling their obligations under the relevant legislation to protect children and adults at risk from abuse, neglect, maltreatment or harm.
- ▶ Maldon District Council (“the Council”) follows the Southend, Essex and Thurrock (SET) Council’s guidelines which outline the key safeguarding procedures. These procedures are based on the six principles of safeguarding which are:
 - Empowerment - Adults are encouraged to make their own decisions and are provided with support and information.
 - Prevention - Strategies are developed to prevent abuse and neglect that promotes resilience and self-determination.
 - Proportionate - A proportionate and least intrusive response is made balanced with the level of risk.
 - Protection - Adults are offered ways to protect themselves, and there is a co-ordinated response.
 - Partnerships - Local solutions through services working together within their communities.
 - Accountable - Accountability and transparency in delivering a safeguarding response.
- ▶ SET Safeguarding procedures are structured within the following four stage process:

| Stage 1 - Concern | Stage 2 - Enquiry | Stage 3 - Management plan review | Stage 4 - closing the enquiry |
|---|--|---|---|
| <ul style="list-style-type: none"> • Safeguarding Adult Concern form (Southend & Thurrock) Electronic Safeguarding Portal (Essex) received • Risk assessment completed • Seek views of the adult about how | <ul style="list-style-type: none"> • Information gathering • Local authority requests and receives information from relevant organisations • Safeguarding meeting (where appropriate) | <p>Safeguarding management plan and arrangements for review</p> | <ul style="list-style-type: none"> • Case closure completed • Notification outcome should be sent to relevant parties • Enquiry signed off |

| | | | |
|----------------------|--|--|--|
| they wish to proceed | | | |
|----------------------|--|--|--|

- ▶ All Council safeguarding referrals are logged on the Freshserve case management system. The referrals are then triaged and prioritised by designated Safeguarding officers, of which there were 10 in July 2025 from various Council services including Community Safety, Anti-Social Behaviour, Housing and Environmental Health.

Purpose

- ▶ The purpose of the audit was to provide assurance around the Council’s policies and arrangements in place to support the safeguarding of children and vulnerable adults.

Areas reviewed

- ▶ We reviewed the safeguarding policies and procedures and sought to confirm whether they were in line with best practice, up to date, clearly detailing the safeguarding process, were easily accessible by officers and considered the requirements of relevant legislation.
- ▶ We reviewed whether an officer and a deputy had been assigned responsibility for overseeing safeguarding concerns at the Council. We sought to confirm whether roles and responsibilities were clearly laid out in policies and procedures.
- ▶ We reviewed training completion records to confirm whether staff had completed all mandatory training, including any role specific training. We sought to confirm whether monitoring mechanisms were adequate and follow up occurred where staff had not completed the training.
- ▶ We reviewed a sample of commissioned services and contracted out arrangements and sought to ensure whether safeguarding responsibilities were clearly documented within the contracts.
- ▶ We tested a sample of safeguarding referrals to confirm whether correct process had been carried out and adequate notes/supporting documentation was maintained.
- ▶ We reviewed whether the Council was coordinating effectively with all departments that had safeguarding responsibilities. We also sought to review any terms of reference, agendas and minutes of multi-agency meetings to ensure safeguarding related actions and decisions were documented and appropriate processes were followed.
- ▶ We sought to confirm whether there was adequate monitoring of safeguarding cases and whether performance was regularly reported. Where performance issues were identified, we sought to confirm action plans were in place to address them.



AREAS OF STRENGTH

Safeguarding Governance

- ▶ Essex Council as the upper-tier Council is the statutory lead for children’s social care, adult social care and the safeguarding boards for Maldon District Council (MDC): the Essex Safeguarding Adults Board (ESAB) and Essex Safeguarding Children Board (ESCB). MDC, “the Council”, is a partner agency within the ESAB and ESCB framework. The Council’s duty is to identify, refer and cooperate on safeguarding issues through local services and partnerships. The Council’s Safeguarding Lead advised that they attend the board meetings regularly as required.
- ▶ The Council follows the SET (Southend, Essex & Thurrock) Safeguarding Adults Guidelines. ESAB and ESCB set the strategic safeguarding policies in accordance with the Safer Essex Terms of Reference adopted in May 2024, while the Council operationally delivers those at the local level.

- ▶ Safer Essex has the strategic lead for co-ordinating the partnership response to community safety issues and initiatives across Essex, Southend and Thurrock. Safer Essex acts as the county-wide Strategy Group for community safety.
- ▶ ESAB published several Safeguarding Adults Reviews (SARs) in 2024-25 and 2025-26 involving adults at risk cases that offer learning points for all districts including the Council. Our review of the ESAB published SARs in 2024-25 and 2025-26 (to September 2025) identified that none specifically name Maldon in published reports. However, ESAB monitors and shares thematic learning from these reviews which the Safeguarding Lead/ Deputy Designated Safeguarding Lead (DDSL) receive and consider—topics such as improving coordination where complex needs are present, enhancing the Making Safeguarding Personal approach, and enabling multi-agency oversight.

Policy & Procedures

- ▶ The Safeguarding Policy is available on the website. Overall, the policy aims to ensure the welfare and protection of children, young people, and vulnerable adults through comprehensive procedures, training, and inter-agency cooperation.
- ▶ The Assistant Director Customer Services and Operations advised that the Safeguarding Policy was being reviewed in Partnership with Chelmsford City Council during the audit. Also, that the new/revised policy would be presented to Members for approval at the Strategy & Resources Committee. We noted that the formal policy approval process is key to preventing informal or unapproved changes to ensure that all updates are properly vetted and compliant with current standards.
- ▶ The Designated Safeguarding Lead (DSL) also referred to as the Safeguarding Lead position is held by the Lead Specialist who holds overall accountability for safeguarding children, young people, and vulnerable adults. The Safeguarding Lead is responsible for discussions with the Designated Safeguarding Reporting Officers (DSRO) and contacting the Local Authority Designated Officer (LADO).
- ▶ Safeguarding concerns, incidents, and allegations are reported to the Safeguarding Lead through a structured process. Members, employees, contractors, or volunteers who notice a safeguarding concern or witness an incident of neglect or abuse must complete a Concern/Incident/Allegation (CIA) form. This form captures detailed information about the occurrence and is available on the Intranet. Paper copies can also be provided to staff without computer access. The completed form is then emailed to the Safeguarding Lead or Designated Safeguarding Reporting Officers (DSRO). If the child, young person, or vulnerable adult is thought to be in immediate danger, the Safeguarding Policy advises staff to call 999.

Organisational Structure

- ▶ The Safeguarding team is based at the Community Safety Hub with Essex Police within the Council's offices to deal with any concerns, incidents, or allegations (CIA) promptly and effectively.
- ▶ There is one Safeguarding Lead, three DDSLs and a team of DSRO, including a 24/7 on-call duty DSRO.
- ▶ The LADO manages and coordinates investigations with relevant agencies and partners. The LADO is based at Essex County Council (ECC).

Safeguarding Training

- ▶ There is a staff Induction booklet, Councillor's Briefing, eLearning module and face to face training sessions.
- ▶ We reviewed safeguarding training records for a sample of 20 officers, including specific training for the Safeguarding Lead, Deputy Safeguarding Lead, DSROs, and service officers with safeguarding duties. We identified that HR monitors the

mandatory training centrally and it was being maintained up to date, enabling staff to recognise and respond to safeguarding concerns effectively.

Maldon & District Community Volunteer Service

- ▶ In addition to the Council’s own staff volunteering, volunteering roles arise from commissioned delivery partner, MDCVS, who deploy volunteers to work with children and vulnerable adults (eg homeless, addicts, ex-offenders, mental health issues, those who have been exploited; adults with learning disabilities and/or autism) across wellbeing and community-focused services on behalf of the Council.
- ▶ MDCVS has a safeguarding lead/child protection officer, and a safeguarding policy and standard agreement (contract) which were adopted by the MDCVS Board of Trustees in March 2023. The policy was updated in September 2025 to include information on training frequency. The Board of Trustees endorsed and approved the changes in their September 2025 meeting minutes.

 **AREAS OF CONCERN**

- ▶ **Safeguarding Policy (November 2020)** and key supporting policies were out dated and not comprehensive including the Criminal Convictions Policy (January 2018), the Safer Recruitment Procedure (2020) and the managing slavery in line with the Modern Slavery Act 2015. The Safeguarding Policy was being reviewed and updated during the audit in Partnership with Chelmsford City Council. However, we noted that it had not been reviewed previously during the past five years. This was due mainly to the absence of a structured process for policy management and review, leading to inadequate oversight and outdated policies that were no longer comprehensive. The staff volunteering policy, recruitment framework and volunteering agreement (contract) were all in draft at the time of the audit. **(Finding 1 - Medium)**
- ▶ **Triage and prioritisation of referrals:** While all SRs were initially treated as urgent until triaged by a DRSO, our review identified a lack of criteria for categorising SRs into High, Medium, Low, and Urgent priorities, leading to potential inconsistencies. This absence of clear categorisation criteria can impact the quality of evidence, delay responses to urgent cases, and hinder effective resource allocation. **(Finding 2 - Low)**

 **CONCLUSION**

We have provided Moderate Assurance over the design and effectiveness of the controls in place to manage Safeguarding.

Control Design

- ▶ The control design has been assessed as Moderate as we identified the following weaknesses in the design of internal control:
 - Safeguarding Policy (November 2020) and key supporting policies were out of date, no longer comprehensive, albeit we recognise that these are under review
 - Criteria for categorising safeguarding referrals into High, Medium, Low, and Urgent to guide the triage, prioritisation and oversight of referrals were lacking

Control Effectiveness

- ▶ The control effectiveness has been assessed as Moderate as our review identified the following weakness in the effectiveness of internal control:

- Regular oversight of the weekly report from the Freshservice ticketing and case management system of the safeguarding referrals by the DSL was lacking at the time of the fieldwork.
- ▶ Therefore, noting the positive direction of travel compared to the previous report, we have raised one medium recommendation, one low priority rated recommendation, and one observation to support the Council to mitigate the identified risk. However there remains an inherent risk around this subject so it is difficult to provide more than a Moderate assurance.

Detailed findings

| 1 Safeguarding Policy | |
|-----------------------|---|
| TOR Risk: | Safeguarding policies and procedure may not be kept up to date, comply with legislative requirements, clearly detail the safeguarding process or be accessible to officers resulting in a process that lacks structure and consistency. |
| Significance |  Medium |

🗨️ **FINDING**

The Safeguarding Policy (November 2020) is accessible via the website and Intranet. It refers to domestic abuse, child sexual exploitation, human trafficking (modern slavery), honour-based abuse, Prevent, hate crime, Essex Police, and Social Services support. Our review identified that the policy is supported by key documents, including:

- Whistleblowing Policy (2020); the Assistant Director Customer Services and Operations advised that no updates have been necessary since 2020.
- Statement of Gambling Policy (March 2024)
- Procurement Strategy (2024); includes safeguarding requirements in contracts. However, the Safeguarding for Contractors and Suppliers Policy (no date) is undated
- Staff Volunteering Policy, Volunteer Recruitment Framework (no date) and agreement (contract) which is in draft, and being updated in May 2025
- Criminal Convictions Policy (January 2018); this is integrated within the Safer Recruitment Procedure (2020), which was also in the process of being updated in May 2025

Our review identified that the Safeguarding Policy addresses the following laws and obligations:

- Children Act 1989 and 2004
- Gambling Act 2005
- Care Act 2014
- Prevent duty under the Counterterrorism and Security Act 2015
- Modern Slavery Act 2015
- Working Together to Safeguard Children 2018
- Mandatory DBS checks for those with significant contact with vulnerable individuals.
- How the exception was identified, if from a sample please state the total population value/number and period in scope

However, our review identified several exceptions:

- While the Safeguarding Policy, last updated in November 2020, was being reviewed and updated during the audit, it had not been reviewed in over five years.
- There was no formal requirement for routine review of the Safeguarding Policy and supporting policies, which should occur every one to three years or after significant regulatory changes.

- There was no clear responsibility assigned within the Safeguarding Policy and supporting policies to specific reviewers and approvers to ensure accountability.
- The Safeguarding Policy referred to Human Trafficking but lacked a statement on managing slavery risks in line with the Modern Slavery Act 2015 and the Local Government Association (LGA) guidance on modern slavery in supply chains.
- The Safeguarding Policy predates updated Working Together guidance requiring multi-agency collaboration.

Root cause

The lack of structured processes for policy management, review and approval, leading to outdated policies that are not comprehensive and inadequate oversight.

Implication

Without a formal management review and approval cycle, policies risk becoming outdated and non-compliant, potentially leading to unsafe procedures. Without a formal approval process, policy updates may be informal or absent, compromising integrity. In addition, the absence of a clear approach to managing slavery risks could result in exploitation.



RECOMMENDATION

1a. Establish a clear mechanism and review cycle for the Safeguarding Policy and all supporting policies, especially the draft Staff Volunteering Policy, Recruitment Framework (no date) and draft agreement (contract), which was in the process of being updated May 2025; the Criminal Convictions Policy (January 2018), this is integrated within the Safer Recruitment Procedure (2020), which was also in the process of being updated in May 2025; and in addition the policy on Human Trafficking. The review cycle of the Safeguarding Policy and all supporting policies should be documented and specify that reviews occur every one to three years or following significant legislative changes. Assign responsibility for these reviews to a specific approver or approval body to ensure accountability.>

1b. Ensure all policies, including the Safeguarding for Contractors and Suppliers and the Staff Volunteering Scheme, are dated and regularly updated to help maintain compliance with current legislation and best practices.

1c. Develop the policy on Human Trafficking to include a statement outlining how the Council understands and manages the risk of slavery and human trafficking within its operations and supply chains. This should align with the Modern Slavery Act 2015 and LGA guidance on modern slavery.



MANAGEMENT RESPONSE

1a. The Council considers this recommendation has been completed - We accept the finding that the core policy had not been updated at the time of the Audit. At this time of the Audit the Safeguarding Policy was already under review and was subsequently approved by Members on 11 December 2025.

The Council now has a centralised system in place to ensure Corporate oversight of policies to help ensure that they remain up to date and relevant. The Criminal Convictions policy and Safer recruitment management guide had been updated in May 25 (copy provided). This document deals with DBS requirements related to convictions, unspent, spent etc

1b. Agreed. A regular review of all policies will be undertaken by the Lead Safeguarding Officer.

1c. The Council considers this recommendation has been completed. At the time of the Audit advice on identifying and reporting Human Trafficking and Modern Slavery was

provided to staff via the Councils Intranet. SA new Modern Day Slavery Statement including managing slavery risks in line with the Modern Slavery Act 2015 has since been completed and approved and published on the website.

| | |
|-----------------------------|---|
| Responsible Officer: | 1a. Sue Green - Assistant Director Customer Services and Operations 1b. As above 1c. As above |
| Implementation Date: | 1.1.30 November 2025 1b. As above 1c. As above |

2 Safeguarding referrals

| | |
|---------------------|---|
| TOR Risk: | An inadequate referral and case management system could result in non-compliance with the safeguarding process. |
| Significance |  Low |

 **FINDING**

Our review of the safeguarding referrals (SR) and case management on the Freshservice ticketing and case management system identified a total of 64 referrals received in the last six-month rolling period: a total of two high SR, 62 low priority SR.

Our review of a sample of five of the 64 referrals received in the last six-months as at 29 July 2025 via screenshare considered the two high SR - 119647 and SR - 125504, and three of the low SR - 122774, SR - 124091, and SR 121964.

Our review identified that SR - 124091 included an allegation of sexual abuse, SR - 122774 included allegations of domestic abuse affecting children and SR 121964 included a suicide risk. However, while our discussions noted it was recognised that categorisation of SR into High (H), Medium (M), Low (L), and Urgent is crucial for triaging and prioritising appropriate responses to risk, there was no clear criteria for categorisation of SR into High (H), Medium (M), Low (L), and Urgent. In addition, while risk levels can change quickly, there is a Deputy safeguarding lead group chat and weekly SR report from the Freshservice system, however, there was an absence of evidence demonstrating regular oversight of SR by the safeguarding lead such as minutes from regular meetings.

Root cause

A lack of clear criteria for categorising safeguarding referrals into High, Medium, Low, and Urgent priorities and regular oversight by the safeguarding lead.

Implication

Without clear criteria into High, Medium, Low, and Urgent priorities and evidence of regular oversight by the safeguarding lead, referrals may not be prioritised correctly, leading to delays in addressing urgent cases. Evidence may be lost or compromised. Misclassification of referrals could result in inadequate responses to serious issues, such as sexual abuse or suicide risk, potentially putting individuals at greater risk. Resources may be misallocated, with more attention given to less critical cases while urgent ones are overlooked. In addition, lack of standardised categorisation and oversight by the safeguarding lead can lead to difficulties in tracking and accountability, making it harder to ensure and demonstrate that all cases are handled appropriately.

 **RECOMMENDATION**

2a. Establish clear, consistent criteria for categorising safeguarding referrals and ensuring evidence is not lost or compromised. This will help ensure that cases are prioritised effectively, evidence is not lost or compromised and resources are allocated appropriately. An example of a suggested framework for triaging and prioritising appropriate responses to safeguarding concerns is provided for your consideration at Appendix III.

2b. Safeguarding risk levels can change quickly, so there should be evidence of frequent and regular oversight of cases by the safeguarding lead such as minutes from regular meetings where safeguarding referrals are discussed, showing active engagement and decision-making.



MANAGEMENT RESPONSE

2a. We consider this action is now complete. The use of the clear criteria at Appendix III is now used to guide staff with a final classification, and was adopted with immediate effect and has been included in the revised Safeguarding Policy approved by Members on 11 December 2025. **However**, we have made it clear that in our view the classification of the referral does not affect the way in which the concerns are responded to or affect the service to the customer as, at the outset of a referral the categorisation will always be urgent until triaged by a DRSO.

Our internal processes ensure a Duty Safeguarding Officer is always available to staff to provide advice and guidance. Where a report is made an immediate referral is sent by email to all DRSO's. The categorisation of the final risk level is a judgement of the professional opinion of the DRSO. **What is critical is that the speed of response is not affected by the categorisation, as we treat all safeguarding referrals as a matter of urgency**, with the duty safeguarding officer and safeguarding leads being available each day to follow up on the actions taken.

2b. Once a safeguarding referral has been received it will either be managed and closed or referred to the relevant organisation (ECC). The case will only need to be reviewed if new information comes to light which will be passed to ECC, as the Districts Councils responsibility is to report, not to investigate or respond to the concerns, incident or allegation, other than where someone is in immediate danger in which case we would call 999, which is clear in our staff guidance and policy. Staff guidance is to call 999 if there are any concerns for the safety of the member of public before a referral is made

| | |
|------------------------------------|--|
| <p>Responsible Officer:</p> | <p>2a. Sue Green - Assistant Director Customer Services and Operations 2b. Daniel Cannon - Head of Community Safety and Customer Services, Service Delivery Directorate (Safeguarding Lead)</p> |
| <p>Implementation Date:</p> | <p>2a. Immediately (22 September 2025) 2b. As above</p> |

Appendix I - Definitions

| LEVEL OF ASSURANCE | DESIGN OF INTERNAL CONTROL FRAMEWORK | | OPERATIONAL EFFECTIVENESS OF CONTROLS | |
|--------------------|--|--|---|--|
| | FINDINGS FROM REVIEW | DESIGN OPINION | FINDINGS FROM REVIEW | EFFECTIVENESS OPINION |
| Substantial | Appropriate procedures and controls in place to mitigate the key risks. | There is a sound system of internal control designed to achieve system objectives. | No, or only minor, exceptions found in testing of the procedures and controls. | The controls that are in place are being consistently applied. |
| Moderate | In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective. | Generally a sound system of internal control designed to achieve system objectives with some exceptions. | A small number of exceptions found in testing of the procedures and controls. | Evidence of non compliance with some controls, that may put some of the system objectives at risk. |
| Limited | A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year. | System of internal controls is weakened with system objectives at risk of not being achieved. | A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year. | Non-compliance with key procedures and controls places the system objectives at risk. |
| No | For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Poor system of internal control. | Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework. | Non compliance and/or compliance with inadequate controls. |

RECOMMENDATION SIGNIFICANCE

| | |
|---------------|--|
| High | A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently. |
| Medium | A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action. |
| Low | Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency. |

Appendix II - Terms of Reference



KEY RISKS

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the potential key risks associated with the area under review, are:

- ▶ Risk 1: Safeguarding policies and procedure may not be kept up to date, comply with legislative requirements, clearly detail the safeguarding process or be accessible to officers resulting in a process that lacks structure and consistency.
- ▶ Risk 2: Safeguarding roles and responsibilities may not be defined, potentially leading to ineffective management of safeguarding concerns, non-compliance with safeguarding policies and realisation of safeguarding concerns.
- ▶ Risk 3: A lack of, or inadequate training could result in staff not understanding their safeguarding responsibilities and potentially mishandling safeguarding concerns.
- ▶ Risk 4: Safeguarding may not be built into commissioning strategies and service contracts resulting in contractors being unaware of their role in safeguarding.
- ▶ Risk 5: An inadequate referral and case management system could result in non-compliance with the safeguarding process.
- ▶ Risk 6: A lack of multi-agency working could lead to safeguarding concerns not being identified and disseminated throughout the organisation with a shared safeguarding responsibility.
- ▶ Risk 7: Inadequate monitoring and reporting of safeguarding concerns/referrals within the Council could impair the oversight of potential performance issues which are not addressed.
- ▶ Risk 8: There are insufficient arrangements to ensure volunteers at Council events are adequately vetted to prevent potential safeguarding issues.



SCOPE & APPROACH

The following areas will be covered as part of this review:

- ▶ Review safeguarding policies and procedures to confirm they are in line with best practice, up to date, clearly detail the safeguarding process, are easily accessible by officers and consider the requirements of relevant legislation. (Risk 1)
- ▶ Confirm an officer and a deputy have been assigned responsibility for overseeing safeguarding concerns at the Council. Confirm roles and responsibilities are clearly laid out in policies and procedures. (Risk 2)
- ▶ Review completion records to confirm staff have completed all mandatory training, including any role specific training. Confirm monitoring mechanisms are adequate and follow up occurs where staff have not completed the training. (Risk 3)
- ▶ Review a sample of commissioned services and contracted out arrangements to ensure safeguarding responsibilities are clearly documented within the contracts. (Risk 4)
- ▶ Test a sample of safeguarding referrals to confirm the correct process has been carried out and adequate notes/supporting documentation is maintained. (Risk 5)
- ▶ Confirm the Council is coordinating effectively with all departments that have safeguarding responsibilities. We will also review any terms of reference, agendas and minutes of multi-agency meetings to ensure safeguarding related actions and decisions are documented and appropriate processes are followed. (Risk 6)

- ▶ Confirm there is adequate monitoring of safeguarding cases and that performance is regularly reported. Where performance issues are identified, we will confirm action plans are in place to address this. (Risk 7)
- ▶ Review arrangements in place to vet volunteers at Council organised events. We will test a sample of events to confirm the appropriate process was followed (Risk 8).

Appendix III - Suggested framework: Criteria for safeguarding referrals

Example of a suggested framework and criteria for triaging and prioritising appropriate responses to safeguarding concerns:

- Urgent - Immediate risk to life or serious harm.
 - Child or adult at immediate risk of serious physical harm, abuse, or neglect.
 - Clear evidence of ongoing abuse by a known perpetrator (e.g. parent, carer, partner).
 - A child or vulnerable adult is in a situation where emergency services are required.
 - Victim is at immediate risk of sexual exploitation, trafficking, or forced marriage.
 - Police protection or emergency accommodation needed.
 - **Response:** Immediate action - call emergency services if necessary.
- High (H) - Significant and escalating risk of harm.
 - Evidence of serious neglect or abuse that is persistent or escalating.
 - Injuries or harm that raise suspicion of abuse (e.g. unexplained bruises, burns).
 - Allegations of sexual abuse or severe emotional abuse.
 - High-risk domestic abuse affecting children or vulnerable adults.
 - Perpetrator has access to the victim or lives in the same household.
 - Multi-agency response required (police, social care, health).
 - **Response:** Assessment/action within 24-48 hours.
- Medium (M) - Emerging or potential risk of harm.
 - Concerns about neglect or poor supervision, but no immediate danger.
 - Family under stress, parental mental health or substance misuse, affecting care.
 - School or community report concerns about behaviour, hygiene, or emotional wellbeing.
 - Past history of safeguarding concerns but currently no active risk.
 - Allegation against a professional that doesn't meet threshold for immediate removal.
 - **Response:** Information gathering and decision-making within 3-5 working days.

Appendix IV - Responsibilities and conformance

Management responsibilities

The Global Internal Audit Standards (GIAS) refer to the ‘board’ as ‘the highest-level body charged with governance, such as a board of directors, an Audit Committee, a board of governors or trustees, or a group of elected officials or political appointees.’ For the Council, ‘the board’ is the Performance, Governance and Audit Committee (PGAC) acting on behalf of the Council.

The PGAC is responsible for determining the scope of internal audit work, and for deciding the action to be taken on the outcome of our findings from our work.

The PGAC is responsible for ensuring the internal audit function has:

- The support of the Council’s management team.
- Direct access and freedom to report to senior management, including the Chair of the PGAC.
- The PGAC is responsible for the establishment and proper operation of a system of internal control, including proper accounting records and other management information suitable for running the Council.

Internal controls covers the whole system of controls, financial and otherwise, established by the Council in order to carry on the business of the Council in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. The individual components of an internal control system are known as ‘controls’ or ‘internal controls’.

The PGAC is responsible for risk management in the organisation, and for deciding the action to be taken on the outcome of any findings from our work. The identification of risks and the strategies put in place to deal with identified risks remain the sole responsibility of the Council.

Limitations

The scope of the review is limited to the areas documented under Appendix II - Terms of reference. All other areas are considered outside of the scope of this review.

Our work is inherently limited by the honest representation of those interviewed as part of the review. Our work and conclusion is subject to sampling risk, which means that our work may not be representative of the full population.

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.

Conformance with the Global Internal Audit Standards in the UK Public Sector

This engagement has been conducted in accordance with Global Internal Audit Standards in the UK Public Sector, which encompass:

- ▶ The global Institute of Internal Auditors (IIA) *Global Internal Audit Standards* effective from January 2025
- ▶ The Internal Audit Standards Advisory Board (IASAB) *Application Note Global Internal Audit Standards in the UK Public Sector* effective from 1 April 2025.

FOR MORE INFORMATION:

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The matters raised in this report are only those which came to our attention during our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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REPORT of CHIEF EXECUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 MARCH 2026

CORPORATE PERFORMANCE – QUARTER 3

1. PURPOSE OF THE REPORT

- 1.1 The Corporate Performance framework requires this Committee to undertake a quarterly review of the Thematic Strategies performance as assurance that performance is being managed effectively to achieve the corporate priorities as set out in the Council's Corporate Plan 2025 – 2028.
- 1.2 **APPENDIX 1** to this report provides an overview of the corporate plan performance as of the end of Quarter 3 (October 2025 – December 2025).
- 1.3 Online versions of all previous performance reports are available to view on the [MDC Members SharePoint site](#).

2. RECOMMENDATIONS

- (i) That Members review the information as set out in this report and **APPENDIX 1** with priority focus given to the Strategic Priority level performance.
- (ii) That Members confirm they are assured through this review that corporate performance is being managed effectively.

3. SUMMARY OF KEY ISSUES

- 3.1 Following the adoption of the Corporate Plan 2025 –2028 in December 2024 a full review of the Corporate Performance reporting has taken place. This has resulted in a new look and feel of the report, as well as a new aligned suite of performance indicators.
- 3.2 All indicators have been classified into groupings to give further definition as to the type of indicator (Measure V Deliverable) and the responsibility that Maldon Council has over the performance trajectory (Control V Influence)
- 3.3 Any concerns affecting the corporate priorities are set out in **APPENDIX 1** at priority level, with all supporting data evidencing the priority performance illustrated thereafter.
- 3.4 Overall work is progressing positively for all priorities, and the performance delivery of the corporate plan is on track.

| Priority | Overview | Concerns | Indicators at risk |
|--------------------------------|----------|----------------------|--------------------|
| Supporting our communities | On track | Not applicable (N/A) | None |
| Investing in our District | On track | N/A | None |
| Growing our economy | On track | N/A | None |
| Protecting our environment | On track | N/A | None |
| Provide good quality services. | On track | N/A | None |

4. CONCLUSION

- 4.1 All the reported performance measures are on track at Q3 despite varying influences and resource constraints, for example specific KPIs under Protecting our Environment
- 4.2 Where negative impacts to performance are seen, priority and focused recovery work will progress to bring measures back on track.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

- 5.1 It is important that performance is monitored and managed effectively, to ensure that Maldon District Council progresses towards and/ or achieves the priorities.

6. IMPLICATIONS

- (i) **Impact on Customers** – Performance management covers the monitoring of corporate priorities. The Corporate Plan includes delivery for our customers.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk (including Fraud implications)** – If performance is not managed effectively by the Council, it puts the Council's corporate priorities delivery at risk and increases unnecessary exposure to potential, operational, reputational, or regulatory consequences.
- (iv) **Impact on Resources (financial)** – All performance management is undertaken within existing planned budgets.
- (v) **Impact on Resources (human)** – All performance management is undertaken within existing planned budgets.
- (vi) **Impact on Devolution and Local Government Reorganisation** – If performance is not managed effectively by the Council, it puts the Council's strategic delivery at risk and increases unnecessary exposure to potential, operational, reputational, or regulatory consequences.

Background Papers: None.

Enquiries to: Doug Wilkinson, Chief Executive.

Corporate Performance Reporting

Report Updated: February 2026

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'Where Quality of Life Matters'

APPENDIX 1



MALDON
DISTRICT COUNCIL

Priority & Indicator Overview

APPENDIX 1

Quarter Range Filter

2025/26 Q3

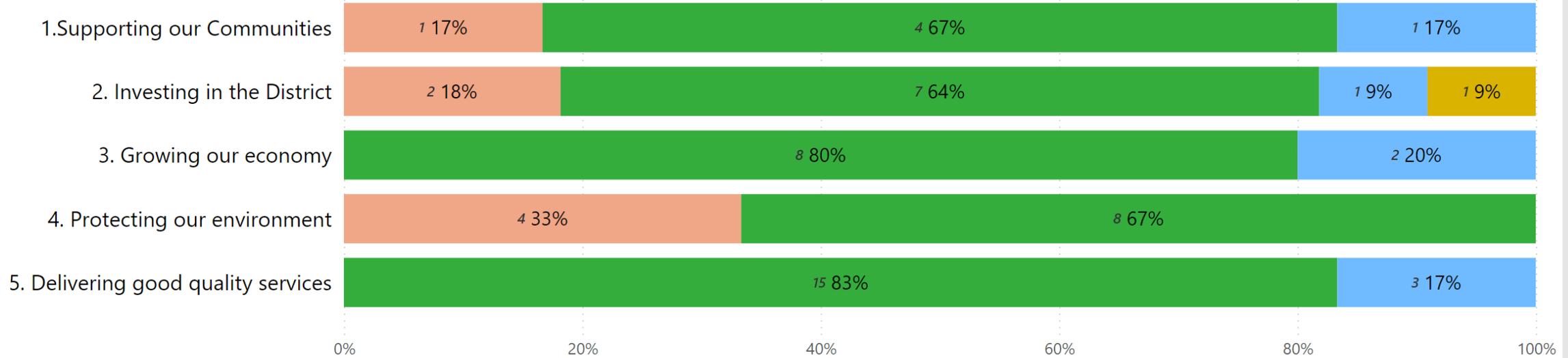


| | | | | |
|-------------------------------|------------------------------|------------------------|-------------------------------|-------------------------------------|
| 1. Supporting our Communities | 2. Investing in our District | 3. Growing our economy | 4. Protecting our environment | 5. Delivering good quality services |
| Ontrack | Ontrack | Ontrack | Ontrack | Ontrack |

Indicator overview per priority

● Closer Monitoring ● Ontrack ● Target Met ● Under Review

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Total indicators supporting each priority



Total indicators for Supporting our communities

6

Total indicators for Investing in our district

11

Total indicators for Growing our economy

10

Total indicators for Protecting our environment

12

Total indicators for Delivering good quality services

18

Priority - Supporting our Communities

APPENDIX 1

Quarter Range Filter

2025/26 Q3



| RAG | Review |
|---------|--|
| Ontrack | <p>Q3 - Delivery against this priority continues to progress well. Delivery of the One Maldon District Partnership (OMDP) action plan is on track. Planned amendments were made in Q3 to align OMDP's action plan with delivery of the council's Where Quality Of Life Matters (WQOLM) funding scheme. 4x asset-based community development (ABCD) case studies have been agreed. Film makers are liaising with community project leads to produce video case studies in Q4. The Livewell funded activities KPI is reporting amber due to some Livewell partners' activities being funded through WQOLM. Officers have created a remedial action plan so this KPI gets back on track in Q4. Meeting also held with finance to agree uplift of grant funding cap to enable larger projects to be funded. Delivery of One Maldon District Partnership community events remains on track. Five "living well this winter" events were delivered across Maldon and the Dengie in Q3. Community safety</p> |

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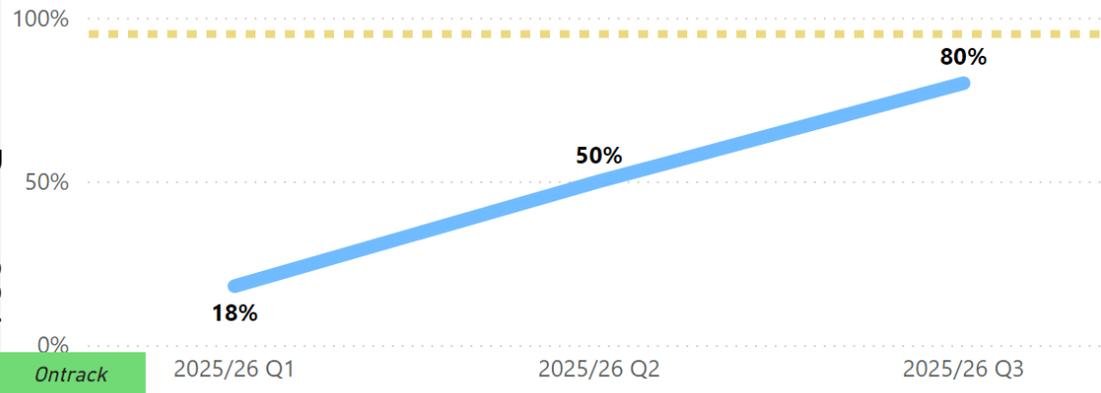
| Service Plan KPI(s) | RAG | Indicator Type | Responsibility |
|---|-------------------|----------------|----------------|
| 1.1 - Delivery of One Maldon District, multi-agency partnership action plan including % of actions completed/on track to in year timescale | Ontrack | Deliverable | Influence |
| 1.2 - Initiatives that have been facilitated with Asset Based Community Development(ABCD) approach. | Ontrack | Deliverable | Control |
| 1.3 - Appropriate commission of physical and mental health activities/initiatives using the LiveWell funding. (% spend & How many did that deliver) | Closer Monitoring | Measure | Control |
| 1.4 - Health & Wellbeing partner led opportunities delivered | Target Met | Measure | Influence |
| 1.5 - Community safety partnerships events delivered | Ontrack | Deliverable | Influence |
| 1.6 - Delivery of Maldon Community safety action plan | Ontrack | Deliverable | Influence |

Continue to deliver the One Maldon District, 'multi-agency' partnership action plan. This already delivers our community festival U-fest and will deliver a 'Thriving Places' community engagement and funding scheme to local groups.

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1.1 - Delivery of One Maldon District, multi-agency partnership action plan including % of actions completed to in year timescale

Target: Quarterly plan progress & 95% completed to in year timescales



| RAG | Update |
|---------|---|
| Ontrack | Q3 - Actions on track: 80% complete. 4x One Maldon District Plan (OMDP) grant funded projects under way. Remaining funding allocation being agreed with previous year's thriving places partners. UK Shared Prosperity Fund (UKSPF) delivery timeframe now amended to September 2026. |

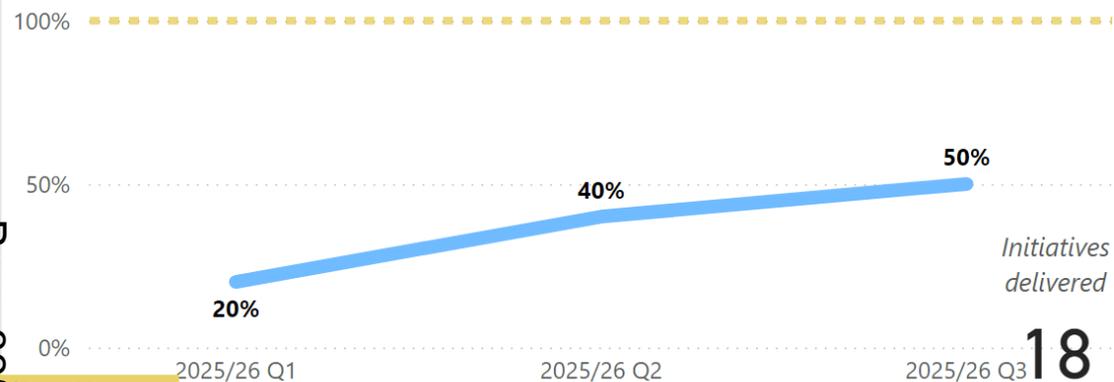
Using a resident and community engagement approach called Asset Based Community Development (ABCD) to roll-out health and wellbeing initiatives, and alliance funding to encourage and jointly deliver healthy activities.

| KPI | RAG | Update | Target |
|---|---------|--|--------|
| 1.2 - Initiatives that have been facilitated with Asset Based Community Development(ABCD) approach. | Ontrack | Q3 - KPI remains on track. 5x Asset Based Community Development(ABCD) case study leads are agreeing video filming dates with filming company in Q4 | 4pa |

Coordinate physical and mental health activities working with our leisure services partners, voluntary, community and sports partners to help vulnerable residents' wellbeing, particularly for our older residents and families needing support.

1.3 - Appropriate commission of physical and mental health activities/initiatives using the LiveWell funding.

Target: 100% Spend



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Closer Monitoring

| RAG | Update |
|-------------------|--|
| Closer Monitoring | Q3 - Funding commitment 50%. Some applicants were better suited to the Where Quality Of Life Matters (WQOLM) funding pot which meant anticipated funding activity being reallocated in Q3. Officers have addressed this by speaking with Livewell partners and now have a credible pipeline of schemes to review and fund in Q4. High confidence the KPI will be Green delivered at year end |

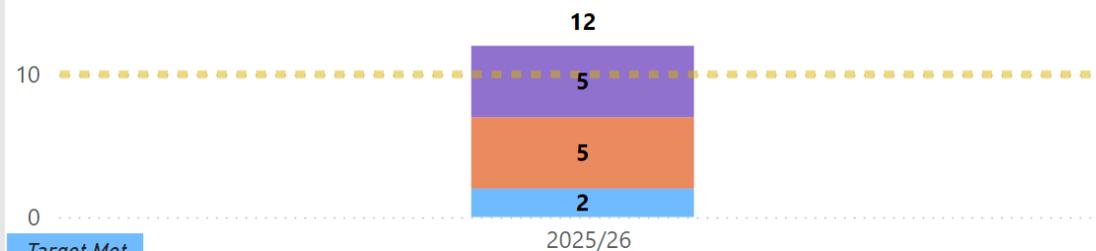
2025/26 Q3

Provide opportunities for residents to attend a community hub programme of events, and work with partners to promote information on a range of health and wellbeing topics, and cost of living help and support.

1.4 - Health & Wellbeing partner led opportunities delivered and attended

Target: 10pa

Quarter ● Q1 ● Q2 ● Q3



| RAG | Update |
|------------|--|
| Target Met | <p>Q3 - KPI on track. 5 x Living Well This Winter events took place in Q3.</p> <p>Living Well This Winter Hubs:</p> <ul style="list-style-type: none"> Southminster URC 16th October 12-4pm, Burnham URC 20th November 12-4pm Maldon URC 25 November 10-12pm <p>Family Winter Activities and Support events:</p> <ul style="list-style-type: none"> Burnham URC 22nd December Maldon & Tiptree Football Club 23rd December <p>Attendance figures are being amalgamated into Q4 annual event summary</p> |

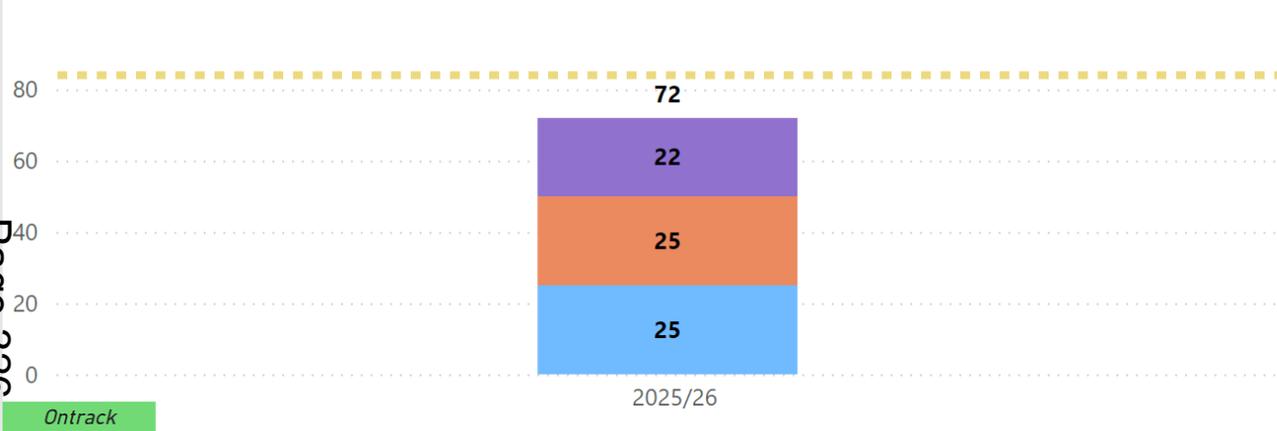
2025/26 Q3

Promote community safety initiatives that are delivered through our Community Safety Partnership programme.

1.5 - Community Safety Partnerships engagements and activities

Target: 84pa

Quarter ● Q1 ● Q2 ● Q3



Page 326

| RAG | Update |
|---------|---|
| Ontrack | Q3 - Specific targeted events leading up to Christmas including burglary awareness, fire safety and preparation for women's safety. Joint patrols with Essex Police and targeted speeding campaigns |

| KPI | RAG | Update | Target |
|--|---------|---|---------------------------------------|
| 1.6 - Delivery of Maldon Community safety action plan. | Ontrack | Q3 - The Community Safety plan continues to remain on track, with strong partnership working with key partners such as Essex Police | Delivery to plan actions & timescales |

Priority - Investing in our District

Quarter Range Filter

2025/26 Q3



RAG Review

Ontrack Q3 - Good news with the completion of the Secret Garden Project and the play area at the West Maldon Community Centre. A report is going to Council Feb/March with regard to the 5 year supply in regard to the year 2024/25, this will set out that the 5YHLS is 4.1 years. To manage expectations it is unlikely to remain at this level given the number of completions in the period 2024/25, the high housing target, which could increase again when the affordability ratio is published around March 2026 and the fact that a number of sites are now moving toward completion. The 5YHLS will need to be published again after the 1st April for the year 2025/26. Inward investment into the District continues to be supported by officers. Meetings are continuing with infrastructure providers, still awaiting news of how the NHS restructure could affect discussions around NHS infrastructure provision. The UK Shared Prosperity Fund projects are all on track to complete by the original deadline and the economic value of events held in the District has risen this year. Along with other tourism activities and events this ties in and supports the work on the emerging Culture Strategy which should support the District going forward

Page 327

| Service Plan KPI(s) | RAG | Indicator Type | Responsibility |
|--|-------------------|----------------|----------------|
| 2.1 - Enable investments into our open spaces & leisure equipment | Ontrack | Deliverable | Control |
| 2.2 - Five Year Housing Land Supply | Closer Monitoring | Measure | Control |
| 2.3 - Comply with the timetable in the Local Development Scheme to deliver the Local Development Plan Review by 2027 | Under Review | Deliverable | Control |
| 2.4 - Work with partners to make a case for inward investment. | Ontrack | Deliverable | Influence |
| 2.5 - Work with partners to improve travel options and lobby for infrastructure | Ontrack | Deliverable | Influence |
| 2.6 - Monitor all S106 agreements including any delivery, and publication of the infrastructure delivery statement | Ontrack | Deliverable | Control |
| 2.7 - Delivery of UK Shared Prosperity Fund projects 25/26 (Linked) | Ontrack | Deliverable | Control |
| 2.8 - Delivery of 25/26 event calendar | Ontrack | Measure | Control |
| 2.9 - Economic Value of events | Target Met | Measure | Influence |
| 2.10 - Deliver commercial projects & workplan as identified by Strategic Asset Working Group(SAWG) | Ontrack | Deliverable | Control |
| 2.11 - Development and Adoption of the Culture Strategy | Closer Monitoring | Deliverable | Control |

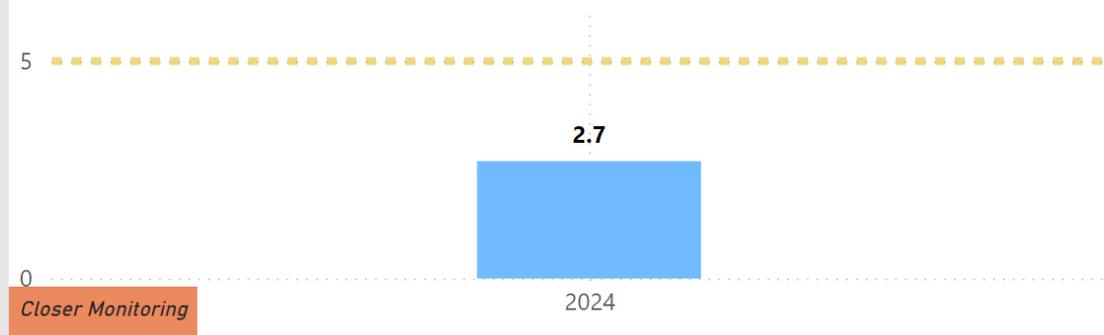
Investing in our assets to update and install leisure equipment and improvements to open spaces and parks.

| KPI | RAG | Update | Target |
|---|---------|--|--|
| 2.1 - Enable investments into our open spaces & leisure equipment | Ontrack | Q3 - The new play site at West Maldon Community Centre has been completed, as well as The secret garden project, some of the shrub planting at the site will be carried out during improved weather conditions in the new year. Development of the remaining sites have been prioritised | Maintain & enhance our parks and open spaces (Q1 Carry out regular play equipment inspections / Q2 Complete a project plan for the larger investment project, as required. Q3 Once agreed, implement the Promenade Park Management Plan Q4 Link the approved PPMP with the new culture and heritage strategy) |

Delivering an updated Local Development Plan

2.2 - Five Year Housing Land Supply

Target: Minimum 5years



| KPI | RAG | Update | Target |
|--|--------------|---|---|
| 2.3 - Comply with the timetable in the Local Development Scheme to deliver the Local Development Plan Review by 2027 | Under Review | Q3 - The Planning Policy Working Group received an update in December 2025 that the Local Development Plan would not make the Governments deadline of submission for examination by 31 December 2026. The current Local Development Scheme said August 2027. As a result the PPWG asked for a project plan to move from the old 'legacy' system of plan making to the new plan making system. Consultants will be procured to assist with this process. As a result this action can be closed | Delivery as per the published timescales & continuation of monthly Planning policy working group. |

Work with partners to make a case for inward investment.

| KPI | RAG | Update | Target |
|--|---------|--|--|
| 2.4 - Work with partners to make a case for inward investment. | Ontrack | Q3 - Engagement with Inward Investment enquiries are being responded to as and when received to review site suitability. Exploratory meeting held with micro data centre developer to discuss possible site locations. Final draft of the North Essex Economic Board (NEEB) Inward Investment brochure will be available at the end of November. | Quarterly Progress (Quarterly progress updates to NEEB board & timely responses to inward investment queries) |

Working with partners to improve travel options and lobby for infrastructure

| KPI | RAG | Update | Target |
|---|---------|---|--|
| 2.5 - Work with partners to improve travel options and lobby for infrastructure | Ontrack | Q3 - Meetings are being held with the NHS to try and spend the funding presently being held by the Council from S106 contributions - the NHS is however going through a massive restructuring program so from October the meetings have been either cancelled or delayed. Once this restructuring settles then they will continue - it is hoped and anticipated that some of the key people in the NHS that the Council has been dealing with will still be in post. Meetings are still being held around the South Maldon Relief Road (SMRR) and regular meetings on transport infrastructure. | Quarterly Progress (Attendance quarterly to partnership meetings) |

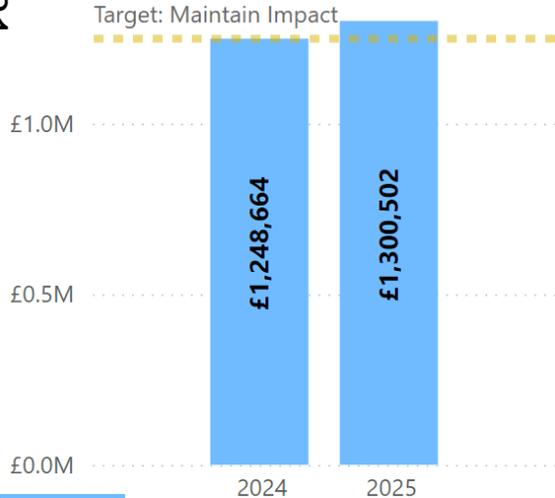
| KPI | RAG | Update | Target |
|--|---------|--|--|
| 2.6 - Monitor all S106 agreements including any delivery, and publication of the infrastructure delivery statement | Ontrack | Q3 - The Infrastructure Statement was published on the Councils website October 25. Two invoices have been raised for Health and Rams payments as the triggers have been met as per their S106 agreements - the position is monitored 6 weekly with finance. | 100% Implementation And Publish Yearly |

| KPI | RAG | Update | Target |
|--|---------|--|--|
| 2.7 - Delivery of UK Shared Prosperity Fund projects 25/26 | Ontrack | Q3 Update: Projects continue to be delivered as expected, with some having successfully completed. In October, MHCLG accepted the first reporting submission and confirmed no outstanding queries. A letter was received on 17 December advising UKSPF 25/26 delivery can now continue to 30 September 2026. This is an extension of the spend eligibility deadline, which was previously 31 March 2026. All the projects are still proposed to complete by the original deadline, however, where it is prudent to do so, for value for money, or further robustness of delivery can be obtained, the end dates will be amended. These updates will be communicated via future Performance, Governance and Audit Committee reports | Delivery of Plan to timescale (Quarterly committee progress updates/Government returns submitted by November) |

| KPI | RAG | Update | Target |
|--|---------|---|---------------|
| 2.8 - Delivery of 25/26 event calendar | Ontrack | Q3 - Events and concessions have been delivered throughout the summer & Autumn & whilst attendance has been reasonable the financial performance has not performed as expected. The team have been looking to mitigate this with a number of smaller attractions to meet the shortfall Our major event weekends (Soulstasia & smoke & fire BBQ festival) did not generate as many ticket sales as expected in a challenging year & income expectations have not been achieved, however temporary concessions and smaller events have benefited from a long dry summer so have over-performed on income expectations which has closed the gap on the income forecast. The team continues to deliver against the cultural REPF funding with amphitheatre performances and xmas market and attractions (scheduled for November/December 2025). | Baseline data |

2.9 - Economic Value of Events

This is an approximate calculation of value brought to the Maldon District businesses through ticketed events only.



| KPI | RAG | Update | Target |
|--|---------|--|---------------------------------|
| 2.10 - Deliver commercial projects & workplan as identified by Strategic Asset Working Group(SAWG) | Ontrack | Q3 - The strategic assets working group (SAWG) now meets on a 4 to 6 week basis. The group has recently been focused on specific projects (PPMP, Maldon Museum). Via this working group a number of projects have been submitted and approved for budget from strategy & resources committee with progress being reported back to SAWG & reported monthly via the PMO. It is anticipated all funded projects will be delivered within the 2025/26 financial year & include: <ul style="list-style-type: none"> • Prom Park kiosk refurbishment • Prom Park seating area • Maldon Museum (scope has now changed from delivery of concept & public consultation to initiation & delivery) • REPF funded concession hardstanding at Riverside Park • Secret garden play area • Amphitheatre improvements • Skate Parks at 3 locations (Riverside, WMCC & Prom) Further projects are still being scoped with the working group for future business case approval. In addition to the above in 2026 the SAWG will begin to focus on the priority strategic assets that the council would like to invest, acquire, dispose of considering the implications of LGR | Delivery to workplan timescales |

| KPI | RAG | Update | Target |
|---|-------------------|---|--|
| 2.11 - Development and Adoption of the Culture Strategy | Closer Monitoring | Q3 - A workshop was hosted for Maldon District Tourism Group in December to influence the development of the strategy. Engagement sessions have also been held with Town and Parish Clerks Forum and MDC internal stakeholders to ensure holistic input to the development of the strategy. A PMO change request has been submitted to extend the date of the project to allow further engagement with stakeholders and Member sign off. Therefore this KPI has now been RAGd as Amber. | Adoption by Q4 25/26 (Commissioned in Q1 25/26) |

Priority- Growing our Economy

Quarter Range Filter

2025/26 Q3



RAG Review

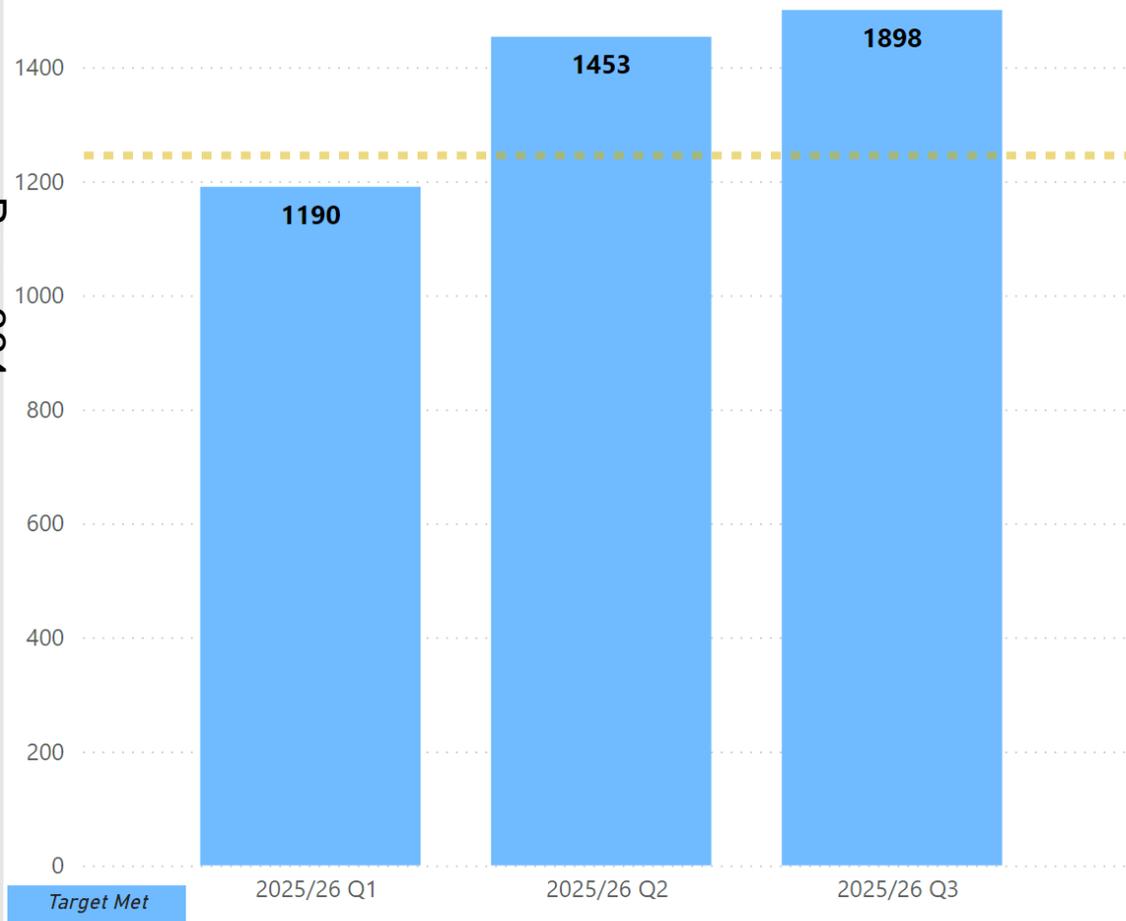
Ontrack Q3 - Delivery of the priority and KPIs remain on track as evidenced by the statistical data in the report. The Supporting Local Business programme continues to improve engagement with our business communities. This quarter, one engagement event was delivered in partnership with North Essex Economic Board and the Bank of England. UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) delivery continue to be on track and detailed updates will be presented at Performance, Governance and Audit (PGA) throughout the year. On 17 December 2025, Ministry of Housing, Communities & Local Government (MHCLG) issued notification to confirm UKSPF and REPF 2025/2026 delivery can now continue to 30 September 2026. This is an extension of the spend eligibility deadline, which was previously 31 March 2026. All the projects are still proposed to complete by the original deadline, however, where it is prudent to do so, for value for money, or further robustness of delivery can be obtained, the end dates will be amended.

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| Service Plan KPI(s) | RAG | Indicator Type | Responsibility |
|--|------------|----------------|----------------|
| 3.1 - Total number of subscribers to business communication channels (Delivered by supplier & partners) | Target Met | Measure | Control |
| 3.2 - Total number of direct to business engagements distributed (business newsletter) | Ontrack | Measure | Control |
| 3.3 - Number of business events (Delivered by supplier & partners) | Ontrack | Measure | Control |
| 3.4 - Total number of businesses reach by each activity (Delivered by supplier & partners) | Target Met | Measure | Control |
| 3.5 - Opportunities for grants training and support within the direct to business engagement (business newsletter) | Ontrack | Measure | Control |
| 3.6 - Delivery of UK Shared Prosperity Fund projects 25/26 | Ontrack | Deliverable | Control |
| 3.7 - Delivery of defined Tourism Group action plan. | Ontrack | Deliverable | Control |
| 3.8 - Number of campaigns delivered | Ontrack | Measure | Control |
| 3.9 - Reach of tourism social media platforms | Ontrack | Measure | Influence |
| 3.10 - Contributing to North Essex Council Growth plan. | Ontrack | Deliverable | Influence |

3.1 - Total number of subscribers to business communication channels

Target: 20% Growth



9

3.2 - Business newsletter

Target: 12pa

3

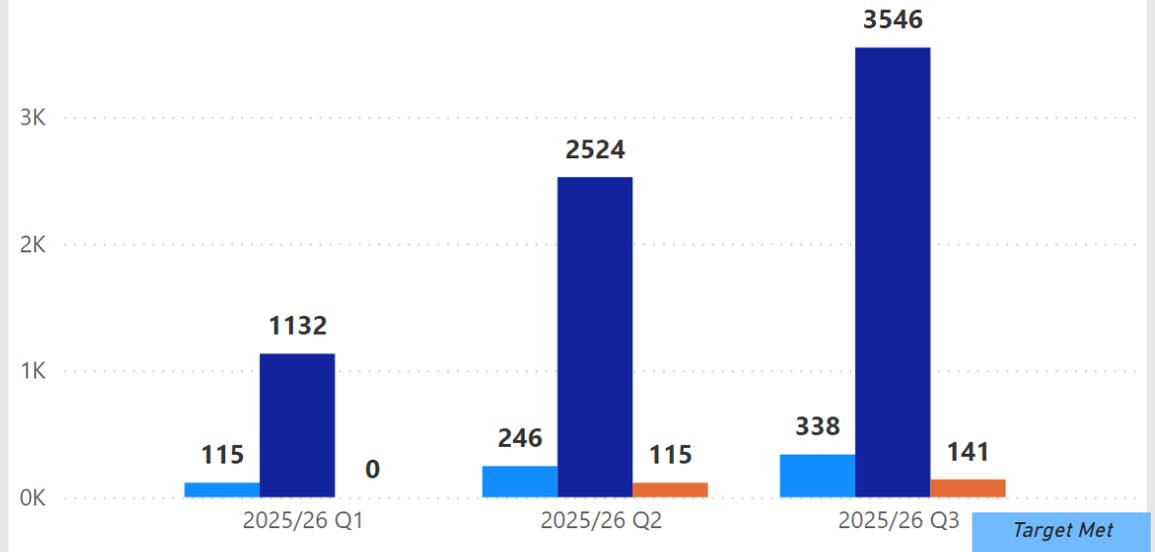
3.3 - Business events

Target: 4pa

3.4 - Total businesses reach by each activity - Cumulative

Target: Maintain Engagement | Clicks = 247 | Displays = 2369 | In person = 99

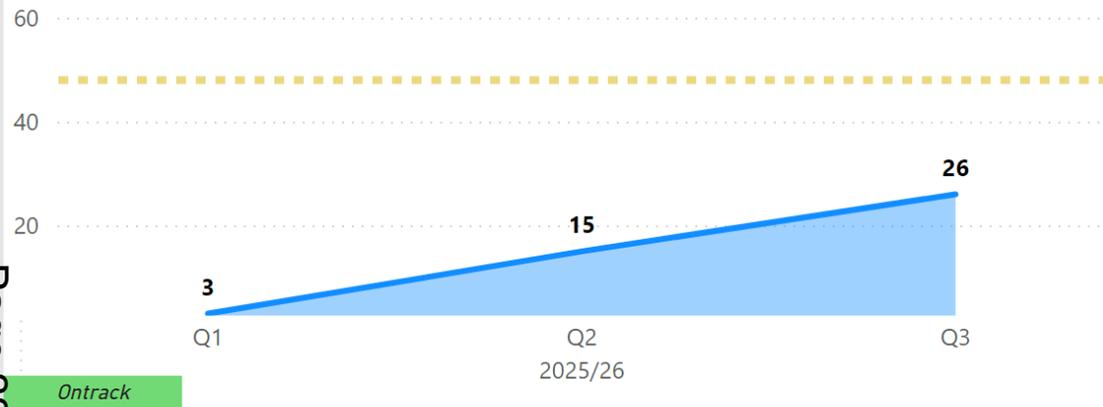
● Newsletter link clicks ● Newsletter Displays ● In Person



Working with our partners to promote grants, training, and support schemes to local businesses and residents

3.5 - Opportunities for grants training and support within the direct to business engagement - Cumulative

Target: 48 opportunities pa



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| RAG | Update |
|---------|---|
| Ontrack | Q3 - The most popular link within the newsletters this quarter was: Ambitious Essex Funding News Weekly Bulletin - Download |

Continuing to deliver the UK Shared Prosperity Fund investment plan

| KPI | RAG | Update | Target |
|--|---------|--|--|
| 3.6 - Delivery of UK Shared Prosperity Fund projects 25/26 | Ontrack | Q3 Update: Projects continue to be delivered as expected, with some having successfully completed. In October, MHCLG accepted the first reporting submission and confirmed no outstanding queries. A letter was received on 17 December advising UKSPF 25/26 delivery can now continue to 30 September 2026. This is an extension of the spend eligibility deadline, which was previously 31 March 2026. All the projects are still proposed to complete by the original deadline, however, where it is prudent to do so, for value for money, or further robustness of delivery can be obtained, the end dates will be amended. These updates will be communicated via future Performance, Governance and Audit Committee reports | Delivery of Plan to timescale (Quarterly committee progress updates/Government returns submitted by November) |

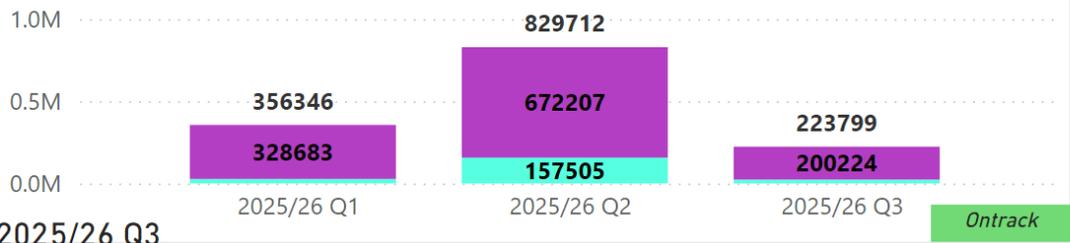
| KPI | RAG | Update | Target |
|---|---------|--|---|
| 3.7 - Delivery of defined Tourism Group action plan | Ontrack | Q3 - Saltmarsh Coast Walking Festival statistics: 43 organised events, total participants 870, 2283 miles walked. Further mini festival planned for Midwinter (22-25 January, and Spring (April). Maldon District Tourism Group met in December and undertook a workshop to support the Culture and Heritage Strategy development. A series of localised campaigns are in planning aligned to national recognised events/celebrations. The first of which is a Twelve Days of Christmas giveaway in collaboration with small businesses across the district. | Quarterly progress ((Q1) Setting 25/26 tourism action plan/ (Q2) Saltmarsh Walking Festival / Regular Tourism Group Meetings) |

| KPI | RAG | Update | Target |
|----------------------------|---------|--|------------|
| 3.8 - Campaigns delivered. | Ontrack | Q3 - Visit Maldon District: In Q3 we focused on growing our social media channels through a series of giveaways, including Halloween-themed prizes such as pumpkin vouchers, baked goods and a mini photoshoot. Entry requirements boosted follower numbers by asking users to follow both Visit Maldon District and the prize partners. Engagement was strong, leading us to deliver a larger Christmas campaign. Throughout December, we ran our '12 Days of Christmas' giveaways, featuring prizes purchased from local businesses. This approach not only increased our following, engagement and reach but also strengthened relationships with local partners. The campaign proved highly successful, with individual posts receiving over 250 comments and positive feedback from both businesses and followers. Building on this momentum, we are now partnering with the Maldon Mud Race to further grow our audience and engagement. Partnership working will remain a key strand of our strategy into 2026, whether through future giveaways—including potential overnight stays to help convert day trips—collaborative content or shared posts. Despite Q3 typically being quieter for Promenade Park due to fewer events and variable weather, the park's social media channels performed strongly across Facebook and Instagram. Consistent, relevant content delivered steady reach, strong engagement and continued follower growth. Posts highlighting on-site attractions, facilities and visitor information again proved most popular, demonstrating the ongoing demand for regular park-related updates. | 8 per year |

3.9 - Reach of social media platforms

Target: Establish a baseline

Instagram Facebook



2025/26 Q3

Ontrack

Working with our local authority partners to develop and deliver the North Essex Economic Board Strategy and the North Essex Councils' Growth Plan.

| KPI | RAG | Update | Target |
|---|---------|--|--|
| 3.10 - Contributing to North Essex Council Growth plan. | Ontrack | Q3 - Chief Executives were updated and briefed in October and it was agreed they would brief Leaders directly regarding the draft plan. Initial conversations with the Leader and Deputy occurred on 10 November and an all Member Briefing held on 26 November. A paper was presented to Council on 11 December to seek Members formal adoption of the North Essex Growth Plan Priorities. However, Members were unable to approve the recommendation and requested the Growth Plan returned with amendments which reflected the needs of Maldon District in more detail. | Defined plan by Q4 25/26 (Ensure MDC representation to each workshop) |

Priority - Protecting our environment

RAG Review

Ontrack Q3 - Progress is being maintained across most of this priority area. Three actions are under closer monitoring due to reduced internal capacity and a lower-than-forecast recycling rate (Ref 4.7). External support has been commissioned to accelerate progress on the carbon footprint work (Ref 4.2) and the Air Quality Management Area Action Plan (Ref 4.12). The reduction in recycling rates is attributable to seasonal impacts, less garden waste collected along with increased residual waste due to christams period. The Council has procured electric vehicles for the Community Engagement Team and upgraded EV charging infrastructure at Princes Road. While climate action promotion was reduced in Q3 due to resource pressures, targeted activity continued promoting the Climate Action Friends initiative, Air Quality, and sustainable travel options. The garden waste winter service has been implemented successfully with subscription management and promotion ongoing. Flexible plastics recycling has been fully rolled out to eligible households, and the food waste rollout continues to progress well across flats in partnership with Suez.

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| Service Plan KPI(s) | RAG | Indicator Type | Responsibility |
|--|-------------------|----------------|----------------|
| 4.1 - Finalise and deliver the climate action plan. | Ontrack | Deliverable | Control |
| 4.2 - Reduction of accounted carbon emissions | Closer Monitoring | Measure | Control |
| 4.3 - Support progress of Electric Vehicle Charging | Ontrack | Deliverable | Influence |
| 4.4 - Annual completion of Staff & Members training | Closer Monitoring | Measure | Control |
| 4.5 - Collaborate with the North Essex Climate Partnership on proposals that support the Maldon District reduce carbon emissions | Ontrack | Deliverable | Influence |
| 4.6 - Number of community climate initiatives and engagements | Ontrack | Measure | Control |
| 4.7 - Percentage break down of waste & recycling | Closer Monitoring | Measure | Influence |
| 4.8 - Total KG per household for residual, food and recyclable waste (excluding garden waste) | Ontrack | Measure | Influence |
| 4.9 - Delivery of simpler recycling programme | Ontrack | Deliverable | Control |
| 4.10 - Community reports investigated/resolved to preserve the local environmental | Ontrack | Measure | Control |
| 4.11 - Enviromental enhancements secured through planning & enforcement services | Ontrack | Deliverable | Influence |
| 4.12 - Delivery of the Air Quality Management Area (AQMA) Action Plan | Closer Monitoring | Deliverable | Control |

| KPI | RAG | Update | Target |
|---|---------|---|--|
| 4.1 - Finalise and deliver the climate action plan. | Ontrack | Q3 - The Climate Action Strategy and Climate Action Plan 2025–2028 were presented to the Strategy and Resources Committee on 2 October 2025. Members of the Committee approved both the Strategy and the Action Plan. The foreword of the Climate Strategy Action Plan (CSAP) remains to be completed, along with minor formatting changes, which will be agreed at the next meeting of the Net Zero Working Group. | Quarterly progress to action plan timescales (Develop & adoption of new action plan & Progress reporting to net zero working group quarterly) |

4.2 - Reduction of accounted carbon emission tonnage
 Target : Reduction in emissions each year

Tonnage output available in Q4
 (Blank)

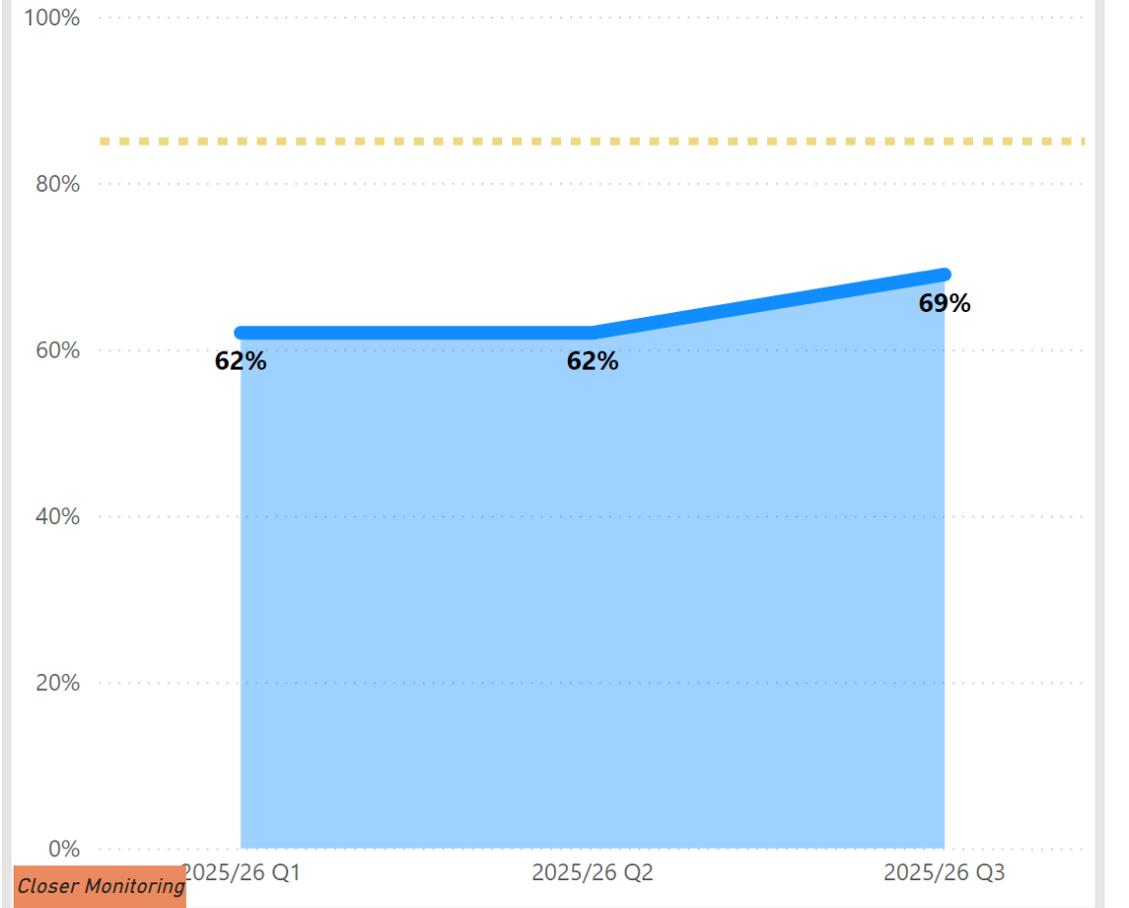
0 Closer Monitoring (Blank)

| RAG | Update |
|-------------------|---|
| Closer Monitoring | Q3 -Reduced movement due to resource. Discussions happening for additional support to enable data processing by end of Q4 |

| KPI | RAG | Update | Target |
|---|---------|--|--------------------|
| 4.3 - Support progress of Electric Vehicle(EV) Charging | Ontrack | Q3 - The Council continues to support the progress of EV charging through partners, the framework for how Maldon progresses EV charging going forward is being reviewed. Additionally installation of new charger points were delivered in the Council car park. | Quarterly progress |

4.4 - Completion of staff & members Climate E-learning module: Introduction to climate change

Target : 85%



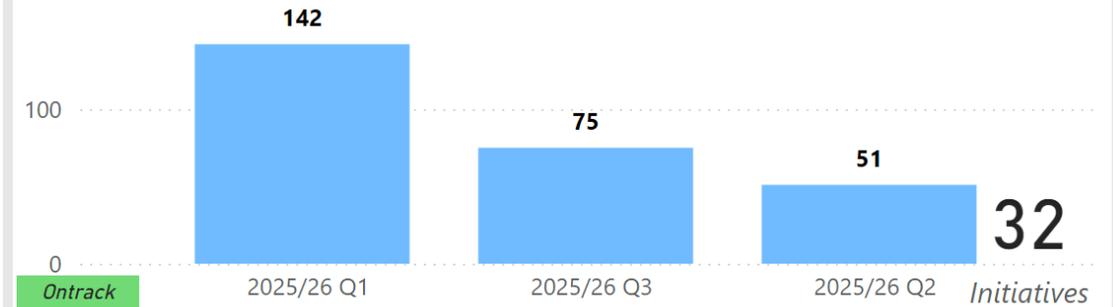
Working with North Essex Climate Partnership to reduce countywide carbon emissions

| KPI | RAG | Update | Target |
|--|---------|---|-------------------------|
| 4.5 - Collaborate with the North Essex Climate Partnership on proposals that support the Maldon District reduce carbon emissions | Ontrack | Q3 - There was no meeting of the North Essex Council Climate Partnership (NECCP) in Q3. However, the NECCP has provided the Great South East Net Zero Hub with a list of all council sites put forward for potential energy generation. The Hub is now producing a fully costed feasibility study, which will include an assessment of financing opportunities. | Quarterly collaboration |

Helping our communities take climate action

4.6 - Community climate initiative engagements

Target: 35 initiatives pa (baseline engagements)

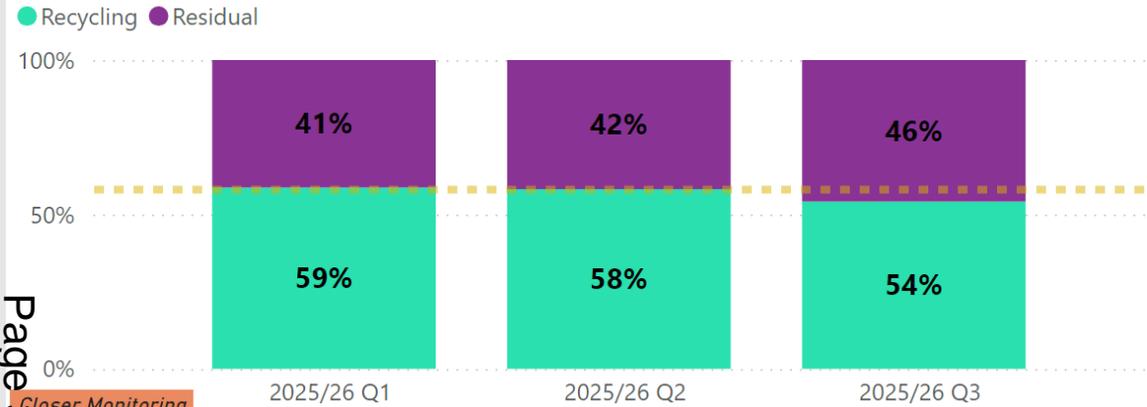


| RAG | Update | Target |
|---------|---|-------------------------|
| Ontrack | <p>Q3 -There has been reduced movement due to resource. Business engagement promoted through Maldon District for Business:</p> <ul style="list-style-type: none"> ECC / Essex Digital electronic IT equipment donation and reuse Maldon-based businesses KleanDrive Ltd and KleanBus Ltd, low-carbon transport through electric bus technology. <p>Communications and engagement promoted:</p> <ul style="list-style-type: none"> Market Hill Clean Air Route (air quality). TravelEssex public transport and sustainable travel Climate Action Friends and local engagement x 2. Environmental engagement through parks & green spaces. Emails to community groups & Climate Action Friends promoting the Essex Local Area Energy Plan. | 35 initiatives per year |

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4.7 - Percentage break down of waste & recycling (all types)

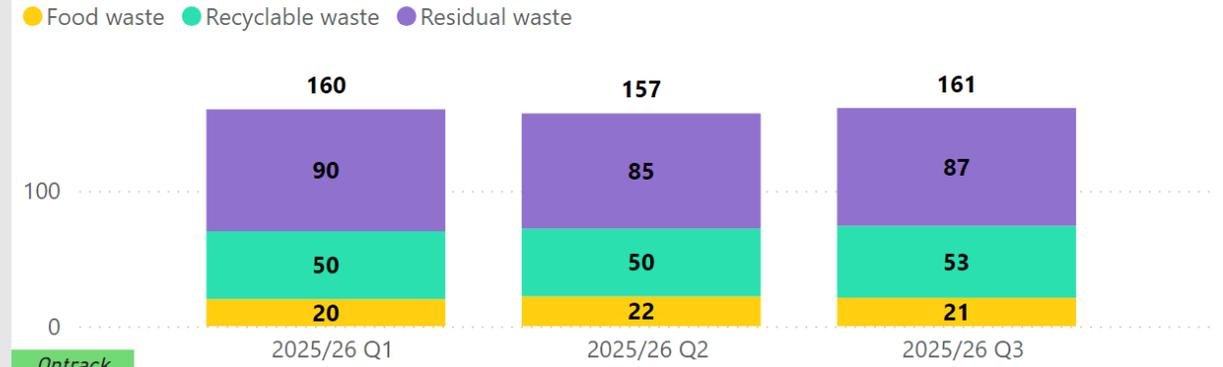
Target: Minimum of 58% Recycling



Close Monitoring

4.8 - Total KG per household for residual, food and recyclable waste (excluding garden waste)

Target: Household reduction of residual waste



Ontrack

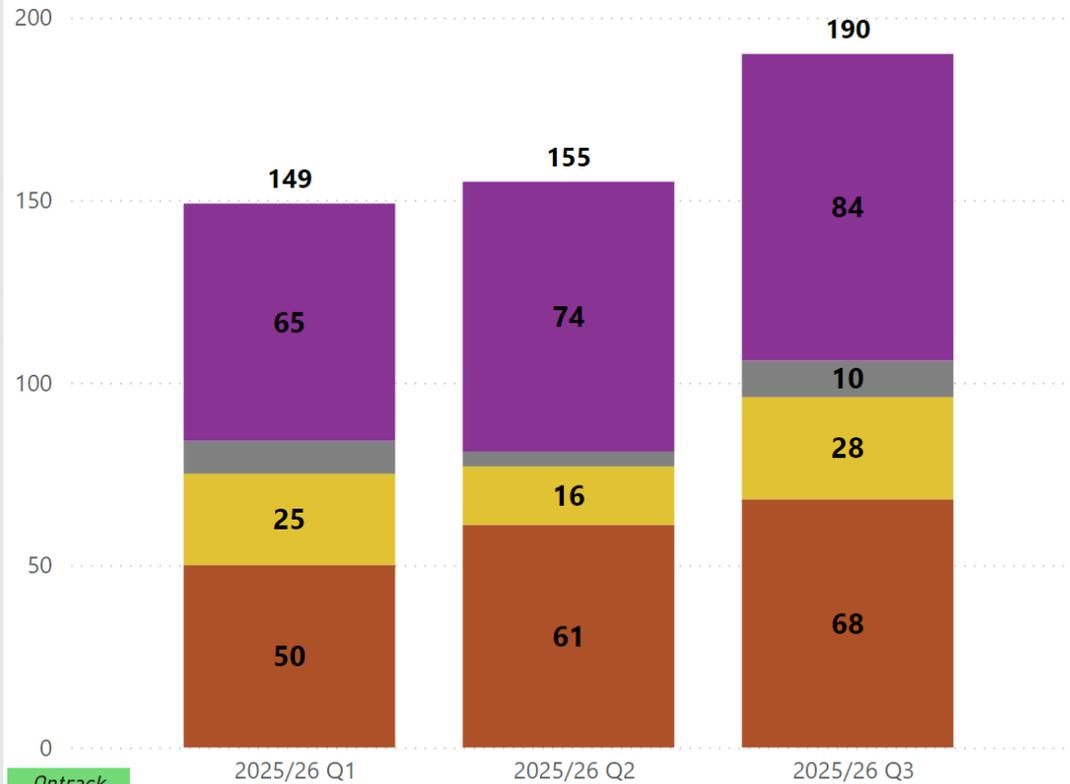
| KPI | RAG | Update | Target |
|---|---------|--|----------------------|
| 4.9 - Delivery of simpler recycling programme | Ontrack | <p>Q3 - Garden Waste - Winter schedule started w/c 1 December with collections dropping to fortnightly on the same day as refuse collections and in line with the normal garden waste collection service. New service has bedded in well with very little issues. We will be shutting down garden waste to new subscribers on Friday 16.1.2026 to allow for the annual renewal process. As part of this process we will be writing to all non-subscribers on the isolated property (ISO) rounds to promote and encourage them to join. We have designed new vehicle artwork promoting the garden waste collection service and are liaising with Suez and their communications team to have the livery printed and installed.</p> <p>Flexible Plastics - Suez have successfully stickered all households that present an individual bin for refuse. Households that do not have a bin (black sack collection) have all received a letter advising them that they can now recycle plastic bags and wrappings in their pink recycling sacks starting on their next scheduled collection day. Properties that have communal bins are having this service introduced as part of the roll out of Simpler Recycling where food waste is being installed and existing recycling facilities improved.</p> <p>Food Waste - Roll out of food waste has started with Chelmer Housing, Eastlight & Peabody properties nearly complete. Ongoing work installing food waste into flats and improving existing recycling facilities. During December we installed a weekly food waste collection into 23 blocks of flats (267 additional properties in total) and delivered a reusable recycling bag, food waste kitchen caddy, a roll of caddy liners plus an information leaflet. We carried out 2 joint working days with Suez to install the food waste bins and deliver extra bulk recycling bins where needed. We continued to contact managing agents to help us prepare for the next phase of Simpler Recycling to blocks managed by private management companies.</p> | Delivery by Q4 25/26 |

2025/26 Q3

4.10 - Community reports investigated/resolved to preserve the local environmental

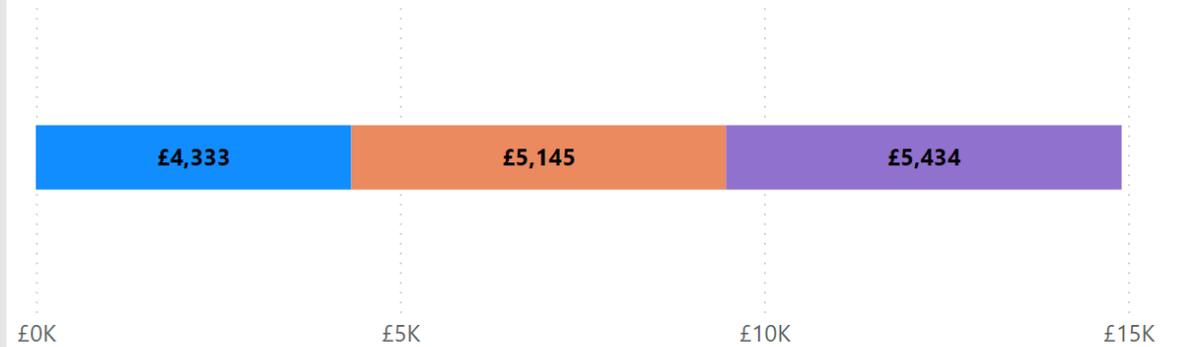
Target: Continue to act on community reports

● Abandoned Vehicles ● Littering offences ● Dog Fouling Offences ● Fly Tip Removals



4.10a - Costs for flytip removal

Year ● 2025/26 Q1 ● 2025/26 Q2 ● 2025/26 Q3



| KPI | RAG | Update | Target |
|---|---------|---|---|
| 4.11 - Environmental enhancements secured through planning & enforcement services | Ontrack | Q3 - No further changes from those reporting in Q2. | Quarterly progress (Baselining the data) |

| KPI | RAG | Update | Target |
|---|-------------------|--|-------------------------------|
| 4.12 - Delivery of the Air Quality Management Area (AQMA) Action Plan | Closer Monitoring | <p>Q3 - The Air Quality Action Plan (AQAP) is being revised and re-issued in winter/spring of 2026 with adoption planned for the summer of 2026. The new AQAP will include a new group of actions, plus some rolled over actions from the previous AQAP, ensuring they are up to date and still relevant to achieve the objectives of the action plan.</p> <p>Renewed discussions with Chelmsford City Council over provision of support in development of new AQAP. SLA being produced between Chelmsford CC & Maldon DC to commence process for a new AQAP. Scope of works agreed, and kick off meetings being organised for winter 2026. Procurement have agreed approach of single supplier and the budget has been identified and agreed.</p> | To AQMA Action Plan Timetable |

Priority - Delivering good quality services

Quarter Range Filter

2025/26 Q3



RAG Review

Ontrack Q3 – Overall good progress is being with delivery of this priority. We continue to maintain a good level of service to our residents and businesses, with performance standards being met. We continue to work positively and collaboratively with a number of key partners, both operationally and strategically/ The One Maldon District Partnership continues to strategically support multi-agency working across key partners, with the Action Plan being on track. Our review of the customer Feedback and Complaints processes has been completed, making it simpler for the public to make a complaint, and for us to respond and learn. We continue to review customer feedback to help us improve how we deliver services, and are on track to achieve our target for business improvements. Our delivery of affordable housing remains on track at Q3, with good progress being made to reduce level of void properties by our partner Moat. Environmental Permits work is continuing and being completed to a good standard, with no concerns. A review of the reporting process from our contractor is underway.

Priority - Delivering good quality services

Quarter Range Filter

2025/26 Q3



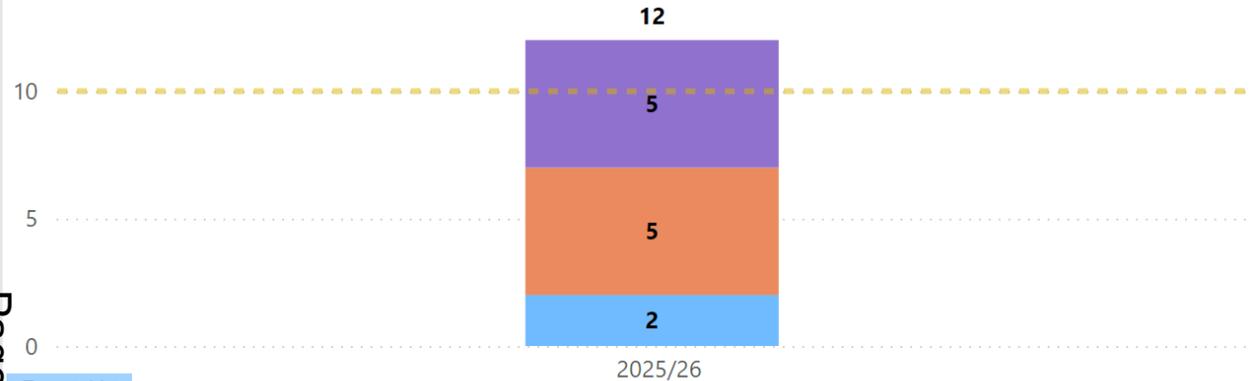
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| Service Plan KPI(s) | RAG | Indicator Type | Responsibility |
|---|------------|----------------|----------------|
| 5.1 - Health & Wellbeing partner led opportunities delivered (Linked) | Target Met | Measure | Influence |
| 5.2 - Delivery of Outreach programmes | Ontrack | Deliverable | Control |
| 5.3 - Percentage of phone calls handled | Ontrack | Measure | Control |
| 5.4 - Number of online service forms submitted | Ontrack | Measure | Influence |
| 5.5 - Online 'contact us' enquiries & phone enquiries responded to at first point of contact. | Ontrack | Measure | Control |
| 5.6 - Opportunities delivered with partners to support access and delivery of our services | Ontrack | Deliverable | Influence |
| 5.7 - Delivery of One Maldon District, multi-agency partnership action plan (linked) | Ontrack | Deliverable | Influence |
| 5.8 - Affordable housing units secured through planning policy | Ontrack | Measure | Influence |
| 5.9 - Delivery of collaborative working with housing partners | Ontrack | Deliverable | Influence |
| 5.10 - Regular assessments of affordable housing delivery compared affordable housing need | Ontrack | Measure | Influence |
| 5.11 - Completion of environmental permit inspections (%) | Ontrack | Measure | Control |
| 5.12 - Programmed Food Hygiene Inspections due & completed (%) | Ontrack | Measure | Control |
| 5.13 - Licenses issued within statutory timescales. (%) | Ontrack | Measure | Control |
| 5.14 - Environmental protection service requests investigated and resolved (%) | Ontrack | Measure | Control |
| 5.15 - Shellfish sampling completed (%) | Ontrack | Measure | Control |
| 5.16 - Proactive activity supporting public Health & Safety in our public areas | Ontrack | Deliverable | Control |
| 5.17 - Review & improve customer feedback process | Target Met | Deliverable | Control |
| 5.18 - Number of process improvements delivered | Target Met | Measure | Control |

5.1 - Health & Wellbeing partner led opportunities delivered and attended

Target: 10 per year

Quarter ● Q1 ● Q2 ● Q3



Target Met

| KPI | RAG | Update | Target |
|---------------------------------------|---------|--|--------------------|
| 5.2 - Delivery of Outreach programmes | Ontrack | Q3 - Outreach programmes (Rough Sleeping, Homes for Ukraine and Domestic Abuse) continue to operate with SLA and/or grant funding agreements in place. All programmes are measured and monitored | Quarterly Progress |

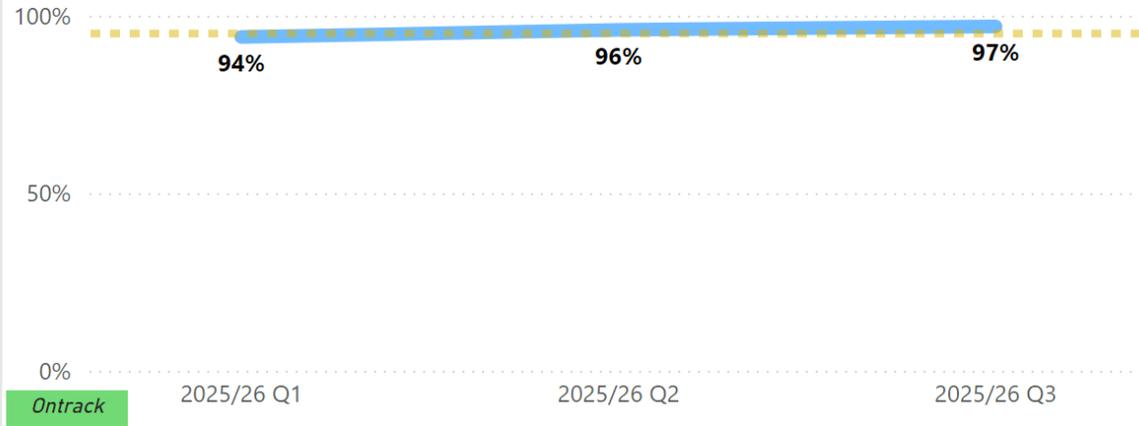
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| RAG | Update |
|------------|---|
| Target Met | Q3 - KPI on track. 5 x Living Well This Winter events took place in Q3. Living Well This Winter Hubs: Southminster URC 16th October 12-4pm, Burnham URC 20th November 12-4pm Maldon URC 25 November 10-12pm Family Winter Activities and Support events: Burnham URC 22nd December Maldon & Tiptree Football Club 23rd December Attendance figures are being amalgamated into Q4 annual event summary |

Providing online services for most of our customers, whilst also provide telephone and in person support when it is needed.

5.3 - Percentage of phone calls handled

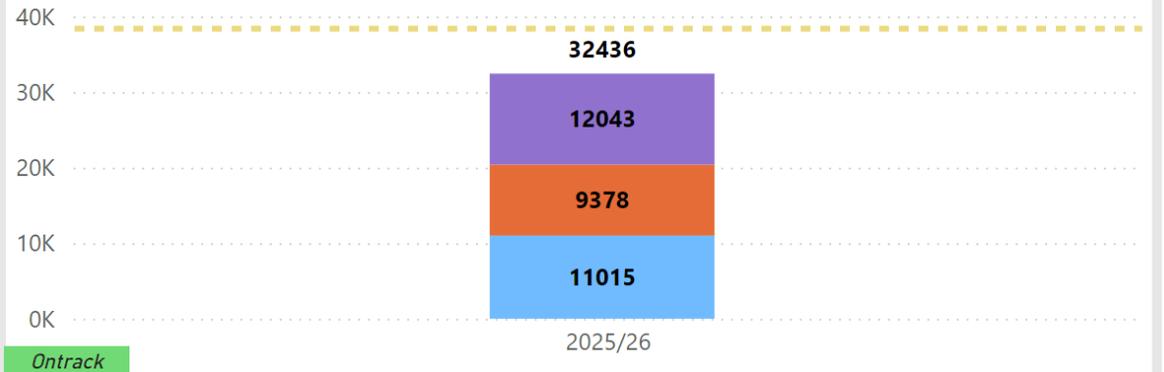
Target: 95%



5.4 - Number of online service forms submitted

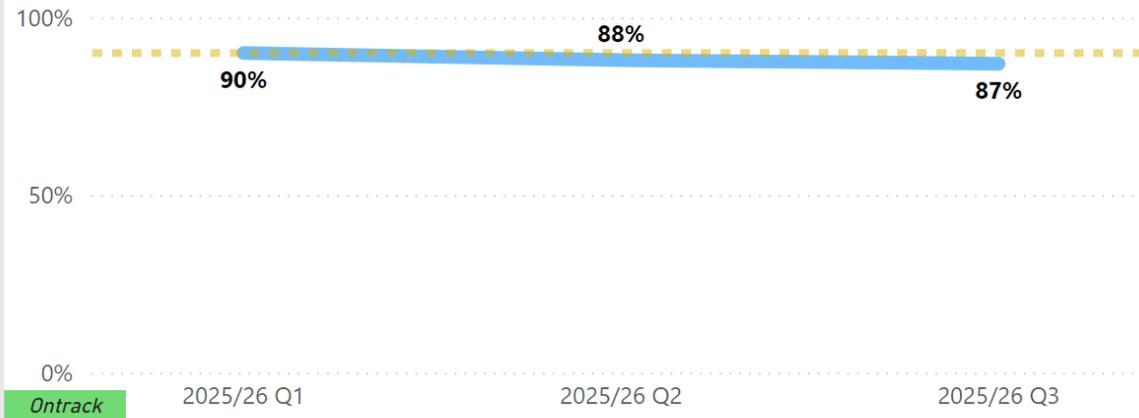
Target: Increase form usage

Quarter only ● Q1 ● Q2 ● Q3



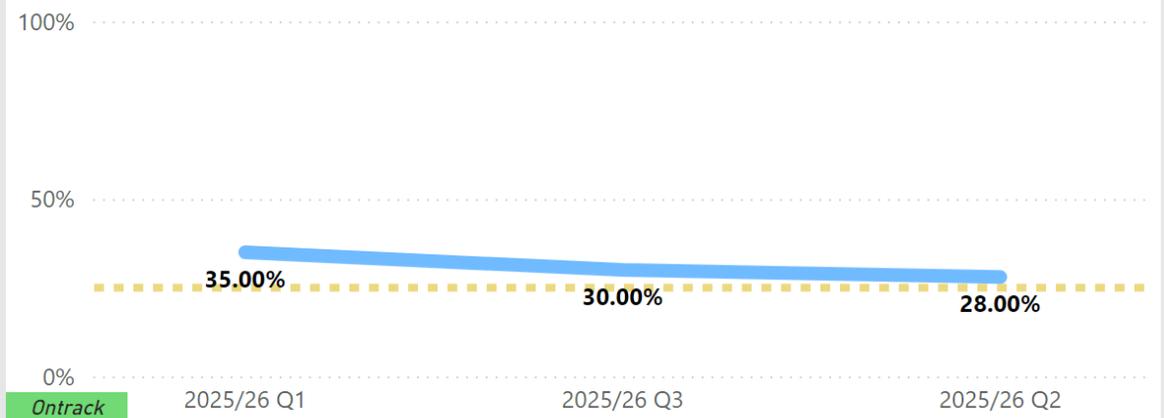
5.5 - Phone enquiries responded to at first point of contact

Target: 90%



5.5 - Online 'Contact us' enquiries responded to at first point of contact

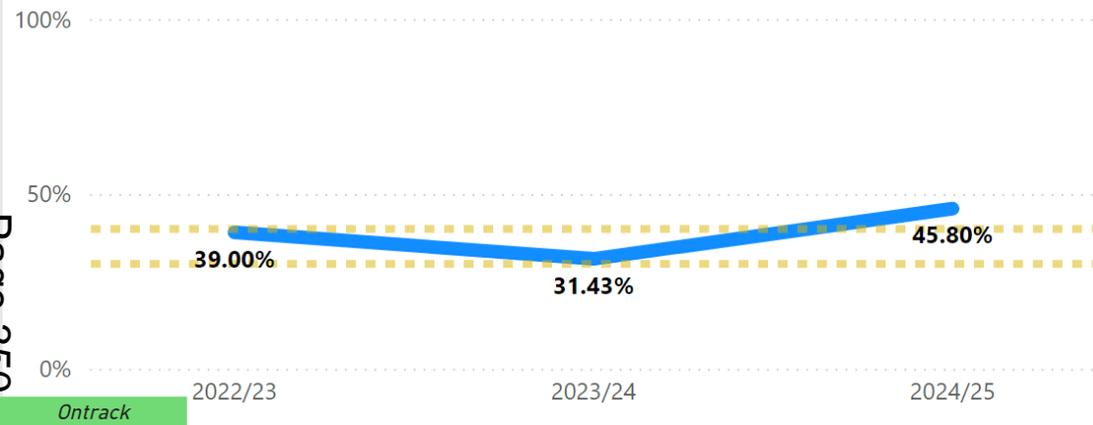
Target: 25%



| KPI | RAG | Update | Target | KPI | RAG | Update | Target |
|--|---------|--|---------------|---|---------|---|--------------------|
| 5.6 - Opportunities delivered with partners to support access and delivery of our services | Ontrack | Q3 - Continue to resolve a high amount of queries at the first point of contact. This will continue to improve as we venture into the new office space and collaboratively work within the office setting. | Baseline Data | 5.7 - Delivery of One Maldon District, multi-agency partnership action plan | Ontrack | Q3 - Actions on track: 80% complete. 4x One Maldon District Plan (OMDP) grant funded projects under way. Remaining funding allocation being agreed with previous year's thriving places partners. UK Shared Prosperity Fund (UKSPF) delivery timeframe now amended to September 2026. | Quarterly Progress |

5.8 - Annual Indicator - Percentage of affordable housing secured through planning policy

Target: Qualifying sites to provide between 30% to 40% of affordable housing (only on sites over 10)



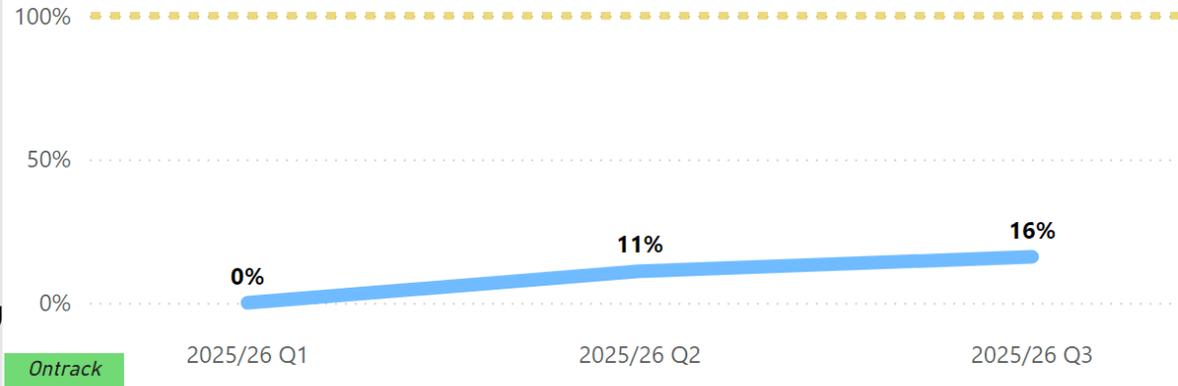
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| RAG | Update |
|---------|--|
| Ontrack | <p>(Annual update in Q2)</p> <p>The total affordable housing negotiated for 2024/25 from all qualifying development was 191 homes, 45.80%.</p> <p>The total number of affordable homes on completed sites since 2017 to 2024/25 is 355, equating to 31.92% of new homes attributing to affordable housing schemes to meet policy targets (Target between 30-40%)</p> |

| KPI | RAG | Update | Target |
|---|---------|---|--------------------------------|
| 5.9 - Delivery of collaborative working with housing partners | Ontrack | <p>Q3 - Moat has made positive progress in reducing voids, with numbers decreasing by approximately 20 between September and December 2025. Partnership Development meetings with Moat continue to progress well and provide a constructive forum for operational collaboration and performance oversight. The regular sharing of void data through these meetings supports effective challenge and accountability, particularly in relation to turnaround times and overall impact. Key achievements to date include the establishment of a dedicated Member Enquiries channel and initial agreement on Key Performance Indicators. These developments will enable clearer performance monitoring and transparent reporting to Members through Strategic Housing Working Group meetings.</p> | Quarterly Progress |
| 5.10 - Regular assessments of affordable housing delivery compared to affordable housing need | Ontrack | <p>Q3 -Ongoing discussions with developers and consultation responses to planning applications to secure affordable housing in line with the Local Housing Needs Assessment 2025 updated December 2025. 74 properties delivered in quarter 3, 49 affordable rented and 25 intermediate affordable (24 shared ownership 1 shared equity)</p> | Review minimum of twice yearly |

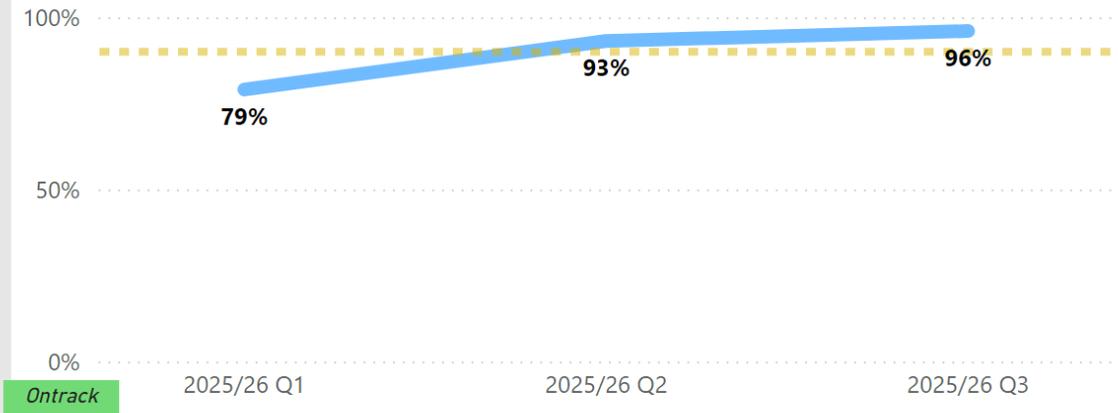
5.11 - Completion of environmental permit inspections (%)

Delivery profile for this indicator usually happens towards Q3 by a contractor in a scheduled block.
Target: 100% by year end



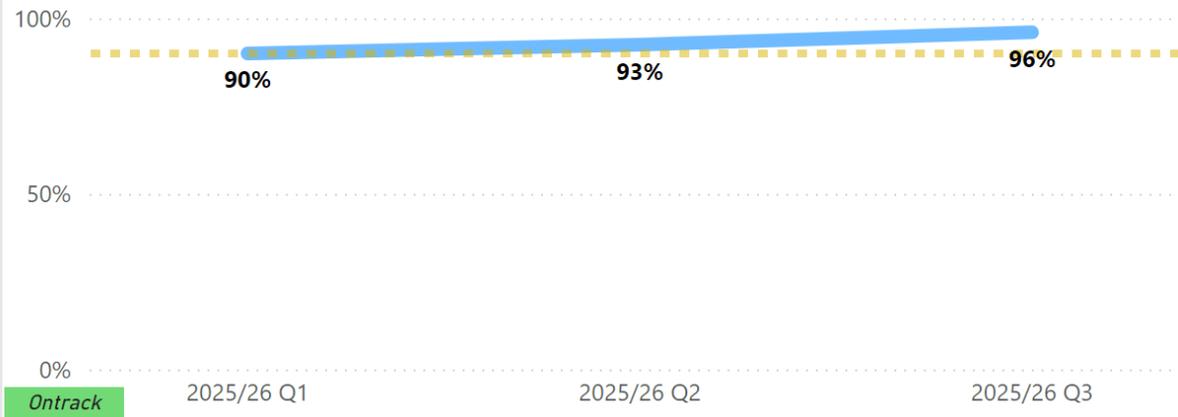
5.12 - Programmed Food Hygiene Inspections due & complete

Target: 90% by year end

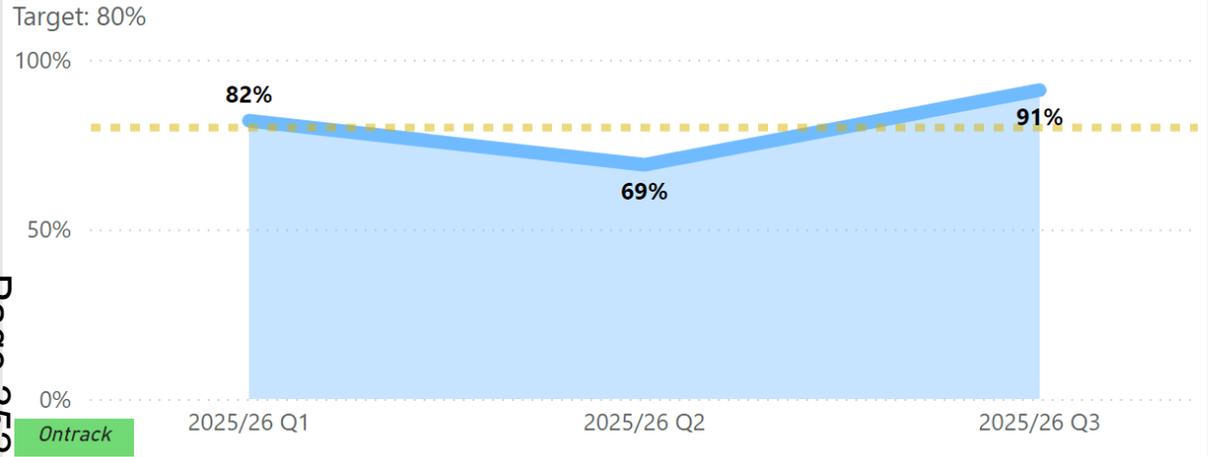


5.13 - Licenses issued within statutory timescales. (%)

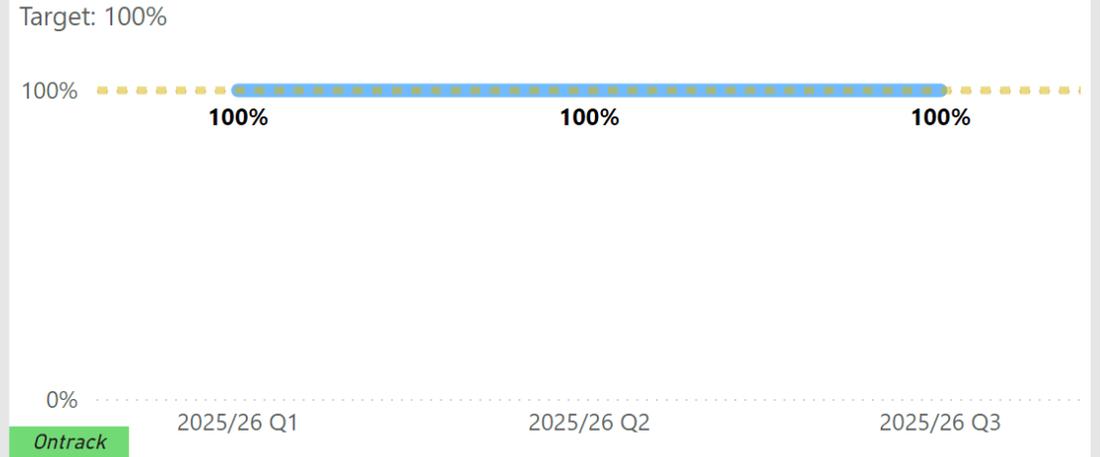
Target: 90%



5.14 - Environmental protection service requests investigated and resolved within time



5.15 - Shellfish sampling completed (%)



| KPI | RAG | Update | Target |
|--|---------|--|--------------------|
| 5.16 - Proactive activity supporting public Health & Safety in our public areas. | Ontrack | Q3 - Full inspection of Assets undertaken as part of the Asset Management Project. App being developed to enable ongoing inspections to be completed and recorded on site, to mirror the process for Play Site inspections. A number of safety improvements have been made to reception area, and the Risk Assessment for the public area of reception will be undertaken in Jan 26 as part of our regular risk assessment review process. Inspection of Blackwater Leisure Centre complete. | Quarterly Progress |

Continuously listen and strive to improve the customer experience

| KPI | RAG | Update | Target |
|---|------------|----------------|----------|
| 5.17 - Review & improve customer feedback process | Target Met | Complete in Q2 | Q3 25/26 |

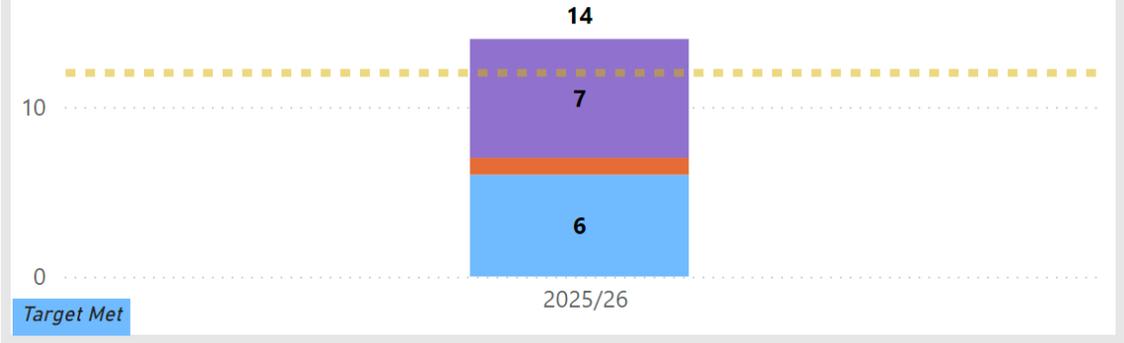
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Improving the effectiveness of the services we deliver both internally and externally

5.18 - Number of process improvements delivered

Target: 12 process improvements delivered per year

Quarter only ● Q1 ● Q2 ● Q3



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REPORT of CHIEF EXECUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 MARCH 2026

REVIEW OF CORPORATE RISK – QUARTER 3

1. PURPOSE OF THE REPORT

- 1.1 The Risk Management Policy requires this Committee to undertake a quarterly review of the Corporate Risk Register as assurance that the corporate risks are being managed effectively.
- 1.2 Online versions of all previous risk reports as well as the live Risk Dashboard and the Risk Management Policy are available to view on the [MDC Members SharePoint site](#).

2. RECOMMENDATIONS

- (i) That Members review the Corporate Risk Register in **APPENDIX 1** and provide comment and feedback for consideration;
- (ii) That Members review progress of the Corporate Risk Mitigating actions in **APPENDIX 2** and provide comment and feedback for consideration;
- (iii) That Members are assured through this review that corporate risk and is being managed effectively;
- (iv) That Members challenge risk where the Committee feels that the Council's corporate goals may not be achieved.

3. SUMMARY OF KEY ISSUES

- 3.1 **APPENDIX 1** shows a summary and detailed table of the Corporate Risk Register, the latest ratings and officer commentary. The control strength of each risk as including any active mitigating actions. Note: Risk controls are an *embedded* action / process that help control or minimise the likelihood and/or impact of the risk.
- 3.2 **Recommended Closure**: Closure of Risk 14 – Any government policy changes will be advised by central government, and any impact would be managed by the services rather than corporately.
- 3.3 **Reduction**: Decrease in likelihood for Risk 10 – Phase 1 of Transforming Together has now been implemented improving senior management structure and resilience.

| Was | Now |
|---------------------------|---------------------------|
| 4 Likelihood and 4 Impact | 3 Likelihood and 4 Impact |

- 3.4 **Reduction:** Decrease in likelihood for Risk 9 – Impact of Local Government Review has minimised the longer-term financial planning risks, along with robust budget management process in place for short-medium term planning

| Was | Now |
|---------------------------|---------------------------|
| 2 Likelihood and 5 Impact | 1 Likelihood and 5 Impact |

- 3.5 Service level risks are identified and monitored in Service Plans by the relevant Service Plan Owners. They may then be escalated as a corporate risk, if deemed appropriate and necessary, to committee level for consideration.

4. CONCLUSION

- 4.1 Overall, no major Corporate Risk concerns have been raised. Work continues to ensure all risks are mitigated, and where possible, working towards their closure.
- 4.2 All Risk Management criteria is set out in the Risk Management Framework.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

- 5.1 It is important that risk is monitored and managed effectively, to ensure that Maldon District Council progresses towards and/ achieves its stated priorities.

6. IMPLICATIONS

- (i) **Impact on Customers** – Those risks in the Corporate Risk Register are defined as having a wider impact on our customers and delivery. The monitoring and mitigation of these will reduce the impact on customers.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk (including Fraud implications)** – If risk is not managed effectively by the Council, it puts the Councils strategic delivery at risk and increases unnecessary exposure to potential, operational, reputational, or regulatory consequences.
- (iv) **Impact on Resources (financial)** – All risk management is undertaken within existing planned budget. Exceptions being for a potential enactment of a recommendation outside of pre-defined resource.
- (v) **Impact on Resources (human)** – All risk management is undertaken within existing planned budget. Exceptions being for a potential enactment of a recommendation outside of pre-defined resource.
- (vi) **Impact on Devolution and Local Government Reorganisation** -If risk is not managed effectively by the Council, it puts the Councils strategic delivery at risk and increases unnecessary exposure to potential, operational, reputational, or regulatory consequences

Background Papers: None.

Enquiries to: Doug Wilkinson, Chief Executive.

Corporate Risk Register (Quarter 3 25/26)

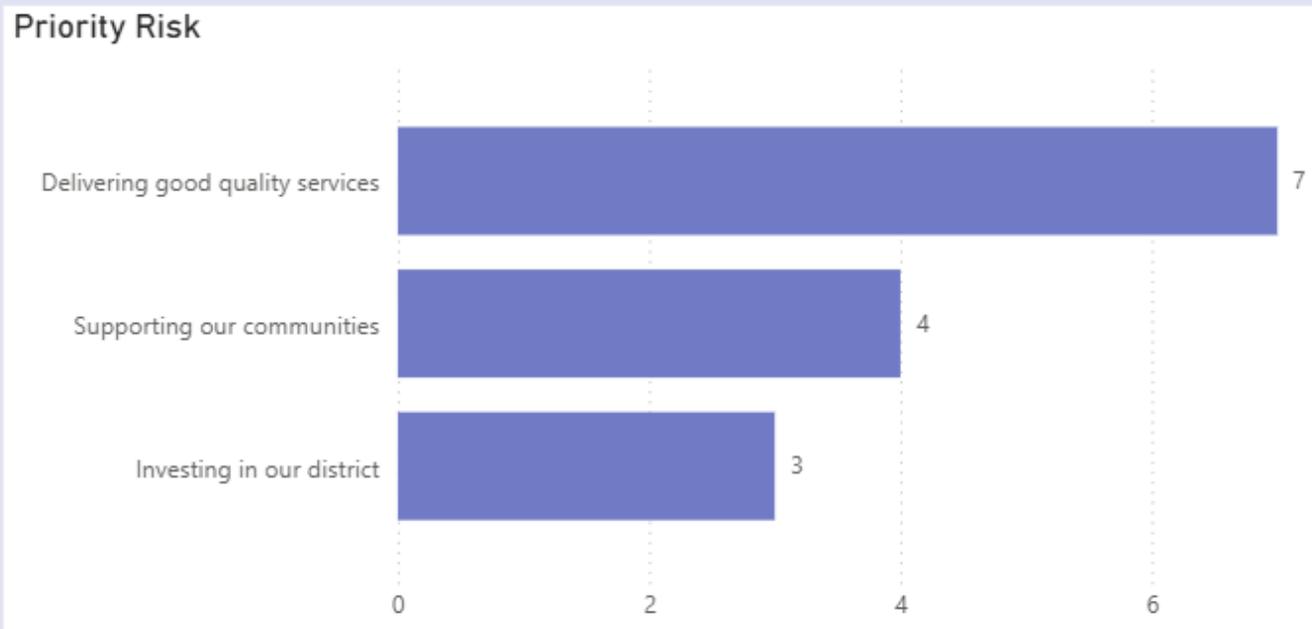
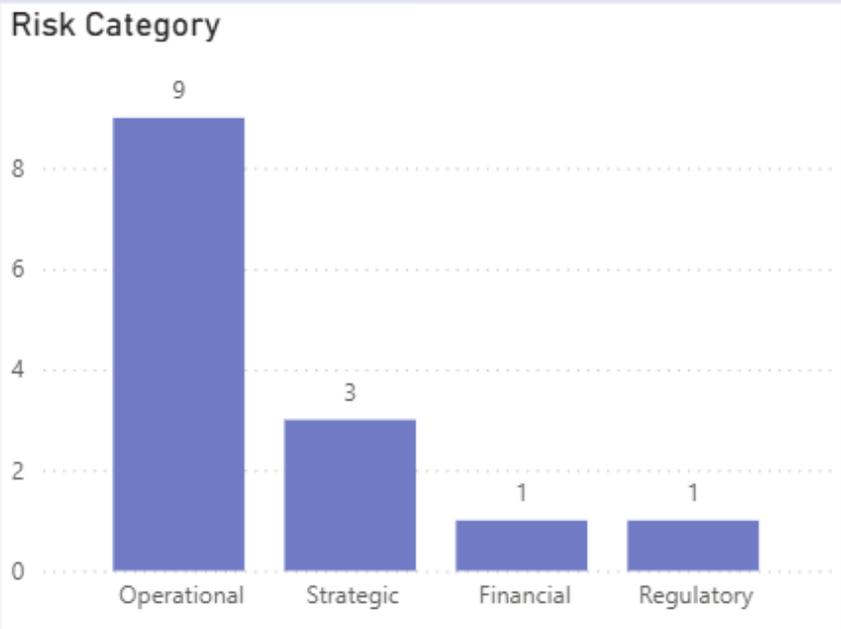
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Active Risks

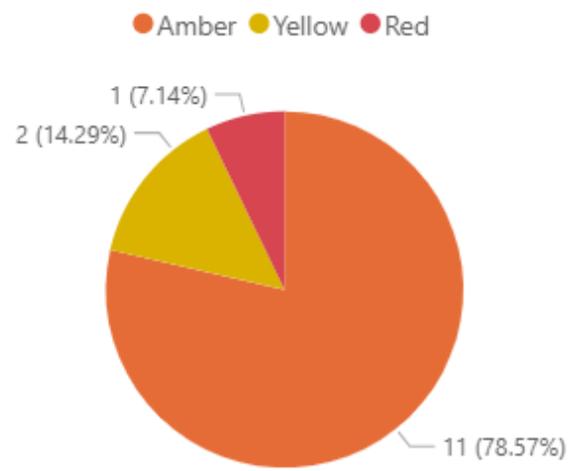
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Mitigating Actions

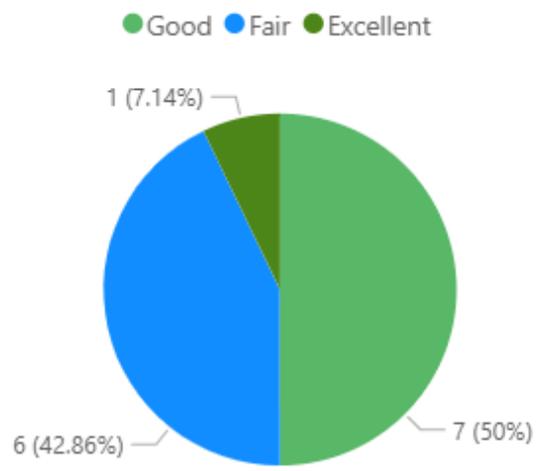
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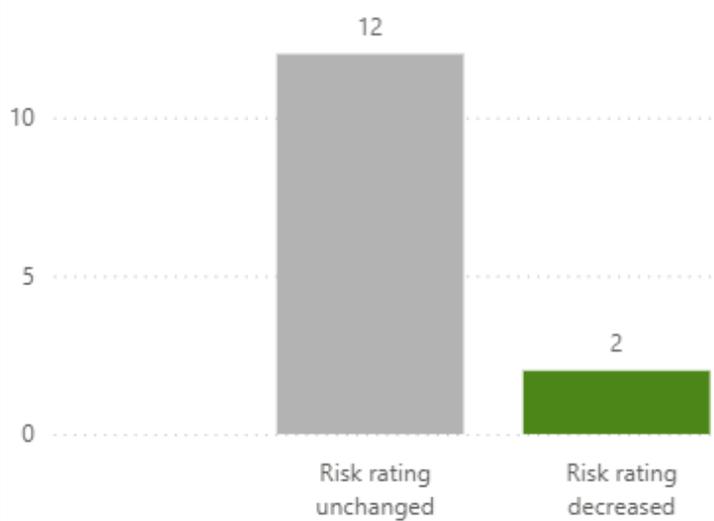
Tolerance Split



Risk Control Strength



Rating Direction



| Risk ID | Risk | Likelihood | Impact | Overall Risk Rating | Rating Direction | Recent Update | Control Strength | Year Raised |
|----------|---|------------|--------|---------------------|-------------------------|--|------------------|-------------|
| 5 | Failure to maintain a 5 year housing land supply | 5 | 5 | 25 | Risk rating unchanged → | Q3 25/26 – The latest calculation of the Council's 5YHLS is that there is 4.1 years, this is being reported to full Council in February 2026. In the circumstances where the Council cannot demonstrate a five years of housing supply, the policies in the approved Local Plan are considered out of date, and the 'tilted balance' applies. This is likely to lead to new homes being permitted outside the settlement boundaries on greenfield sites which have not been allocated in the Local Plan. | Good | 2017/18 |
| 10 | Inadequate staffing structure and resource for resilience | 3 | 4 | 12 | Risk rating decreased ↓ | Q3 25/26 - Implementation of Phase 1 of the Transformation programme complete, likelihood has been reduced. Phase 2 is now being progressed, moving towards staff communication and consultation | Fair | 2021/22 |
| Page 358 | Failure to engage and prepare to be ready for any impact of Local Government Review | 3 | 4 | 12 | Risk rating unchanged → | Q3 25/26 - Communications have promoted the live public consultation on four business case proposals. Maldon District Council have provided a formal consultation response as part of this. Officers have been involved with Essex System Groups to start work/ gathering data required to make Local Government Review(LGR) successful ahead of a decision expected in March, and a Programme has been stepped up through our Project Management Office (PMO) for resource oversight. Currently, this is drawing on Business as Usual (BAU) resource for delivery and as part of Phase 1 transformation specific resource has been allocated to support LGR | Fair | 2024/25 |
| 17 | Failure to provide adequate building safety and access systems | 3 | 4 | 12 | Risk rating unchanged → | Q3 25/26 - A project to implement new Fire safety systems during Q3 has commenced, with good progress being made. | Fair | 2025/26 |
| 1 | Failure to safeguard children and vulnerable adults | 2 | 5 | 10 | Risk rating unchanged → | Q3 25/26 - Safeguarding Policy approved at committee. New sub working group established to improve current processes. Future plans in place to better reporting and training of staff/members | Good | 2012/13 |

| Risk ID | Risk | Likelihood | Impact | Overall Risk Rating | Rating Direction | Recent Update | Control Strength | Year Raised |
|---------|--|------------|--------|---------------------|-------------------------|---|------------------|-------------|
| 4 | Damage caused to the Council's reputation associated with delays to planned infrastructure delivery in the District by third parties which was due to mitigate approved development. | 3 | 3 | 9 | Risk rating unchanged → | Q3 25/26 – No change since Q2. When an applicant seeks planning for a major development (a site of 10 or more homes) the Council will consult with a range of infrastructure providers. The planning system allows the Council to seek contributions towards the delivery of infrastructure where necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind to the development. Each year the Council produces an Infrastructure Funding Statement (IFS) which details the infrastructure contributions which have been collected. This is reported to the PGA Committee and published on the Council's website. Most of the infrastructure contributions are for other organisations such as education and highways where the contributions go to the County Council. As part of the Council's evidence base for the Local Plan a draft Infrastructure Delivery Plan has been prepared. | Good | 2014/15 |
| | Unable to recruit and retain staff with specific skills sets in specialist areas to meet the demands of the service | 3 | 3 | 9 | Risk rating unchanged → | Q3 25/26 - During Q3, the Service Level Agreement with Essex County Council was formally discounted following Director instruction. In response, due to an improved budget position and ability to fund alternative options to recruitment, HR can actively support the Directors with a targeted recruitment campaigns designed to address identified skills gaps and strengthen workforce planning for the service. This risk is likely to reduce over time. | Fair | 2015/16 |
| 14 | Changes in national policy from the new government leading to uncertainty of impacts to project and service delivery. | 3 | 3 | 9 | Risk rating unchanged → | Q3 25/26 - No significant change from Q2. Recommendation for corporate closure and risk to be managed by relevant services. | Fair | 2024/25 |

| Risk ID | Risk | Likelihood | Impact | Overall Risk Rating | Rating Direction | Recent Update | Control Strength | Year Raised |
|---------|---|------------|--------|---------------------|-------------------------|---|------------------|-------------|
| 2 | Failure to target services and influence partners with the aim of having an effective outcome on the identified health and wellbeing needs of the vulnerable population | 2 | 4 | 8 | Risk rating unchanged → | <p>Q3 25/26 - The risk rating remains unchanged due to our continued strong working relationships with district and regional partners. We continue to work in partnership to support our most vulnerable residents with Mid Essex Alliance, One Maldon District, Maldon District Community Forum, Livewell Board and Integrated Neighbourhoods.</p> <p>Mid and South Essex Integrated Care Board (MSEICB) is in the final stages of its restructure, which is due to complete by 31st March 2026. At present this presents no risk to the Council, with relations being maintained at executive and senior officer level.</p> | Excellent | 2016/17 |
| | Failure to influence Community Safety partners to address the key areas of public concern (including rural crime) and the negative perception of crime | 2 | 4 | 8 | Risk rating unchanged → | <p>Q3 25/26 - The Council continues to be an active member of the Community Safety Partnership (CSP). The creation of a Community Safety Hub in the Council Offices, where the Police, Community Engagement Officers and Community Safety staff are co-located has supported partnership working and intelligence sharing to help identify and address local issues.</p> <p>At a strategic level the CSP arranges for an annual survey undertaken to measure perception of crime, and also to inform local priorities, which is translated into a local action plan, which is delivered with partners. The outcome of the survey will be used to inform our local priorities during Q4, enabling the Community Safety work plan for 2026/27</p> <p>The Councils Overview and Scrutiny Committee sitting at the Crime and Disorder Panel receives reports from Essex Police on the work that is being done to tackle crime, and provides data on local crime and trends. The work of this Committee has helped to provide a targeted response to areas such as road safety, through funding and delivery of increased speed enforcement activity. The Committee will receive an update in Q4</p> | Good | 2017/18 |

| Risk ID | Risk | Likelihood | Impact | Overall Risk Rating | Rating Direction | Recent Update | Control Strength | Year Raised |
|---------|---|------------|--------|---------------------|-------------------------|---|------------------|-------------|
| 6 | Unable to secure sufficient and appropriately sized affordable housing to meet local need due to market conditions, development viability, and reliance on external delivery partners | 2 | 4 | 8 | Risk rating unchanged → | Q3 25/26 - The update to the Local Housing Needs Assessment has allowed the Council to negotiate for 80% of the affordable homes delivered on development sites to be affordable homes for rent. Of these homes, 75% will be at the social rent levels. These will only be delivered once the sites are constructed, but this is an important step in ensuring the planing process will deliver the homes to meet the most important need in the district. | Good | 2016/17 |
| 7 | Failure to protect personal or commercially sensitive data | 2 | 4 | 8 | Risk rating unchanged → | Q3 25/26 - No Information Commissioners Office (ICO) complaints and data breaches remain low. No change to risk. | Good | 2009/10 |
| 8 | Lack of Temporary Accommodation & Social Housing to cope with demand | 2 | 3 | 6 | Risk rating unchanged → | Q3 25/26 - Temporary accommodation numbers have stayed broadly stable, showing that placements are being managed well and that prevention work is having a positive impact. An Accommodation Officer is now in post and is focusing on increasing access to the private rented sector, which should help reduce reliance on social housing and ease future pressure on temporary accommodation. As Maldon District Council is a non-stock holding authority, this will remain an ongoing risk. Work is also underway to bring a paper to Members seeking approval to purchase two schemes in Maldon District, which would further increase the Council's temporary accommodation provision. | Fair | 2022/23 |
| 9 | Failure to plan and deliver balanced budgets over the medium term | 1 | 5 | 5 | Risk rating decreased ↓ | Q3 25/26 - Budget performance in the current year remains good and clear plans are in place for the coming year. The plans for next year have been developed with extensive engagement with officers and members, which helps ensure that all relevant issues are properly considered. Risk has been substantially reduced by Local Government Review(LGR) which means that risks will end with the winding up of Maldon District Council (MDC), so planning cover for longer term risks is no longer required. | Good | 2008/09 |

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Mitigating Actions

| Risk ID | Risk | ActionID | Action | Completion Date | Status | Recent Update |
|---------|---|----------|--|-----------------|----------|--|
| 2 | Failure to target services and influence partners with the aim of having an effective outcome on the identified health and wellbeing needs of the vulnerable population | 11 | Develop strategic approach and formal action plan through One Maldon District Partnership. | 30/03/2026 | On track | Q3 25/26 - Mitigating action being progressed, no issues to raise. |

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**REPORT of
CHIEF EXECUTIVE**

**to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 MARCH 2026**

ANNUAL GOVERNANCE STATEMENT ACTIONS UPDATE

1. PURPOSE OF THE REPORT

1.1 To update the Committee on the actions identified in the Annual Governance Statement (AGS).

2. RECOMMENDATION

That the Committee reviews the Annual Governance Statement's table and updates below and comments where necessary.

3. SUMMARY OF KEY ISSUES

3.1 The AGS in its current format was approved by the Performance, Governance and Audit Committee (PGA) on 10 June 2021. In line with the Chartered Institute of Public Finance and Accountancy (CIPFA) best practice, it is reflective of governance matters and forward looking about where we could make improvements.

3.2 The report has an updated action plan for the year looking forwards and the Committee agreed that progress on the actions would be reported to and reviewed by the Committee.

3.3 The Action Plan is held on the Council's SharePoint system and updated by responsible officers.

3.4 The actions highlighted in grey have been previously reported as **completed**.

3.5 The current table of actions and officer updates are detailed below for Member consideration.

| Title | Owner | Status | Target Completion | Commentary |
|---|--|---------------|--------------------------|--|
| Build engagement and information sharing with Parish Councils as part of the Local Development Plan (LDP) review work through the new Parish and Town Council | Director of Place, Planning and Growth | Ongoing | 01/09/2026 | Q3 - The Planning Policy Working Group (PPWG) received an update in December 2025 that the LDP would not make the Governments deadline of submission for examination by 31 December 2026. The current Local Development Scheme said August 2027. |

| Title | Owner | Status | Target Completion | Commentary |
|---|---|----------|-------------------|--|
| Engagement Forum | | | | As a result, the PPWG asked for a project plan to move from the old 'legacy' system of plan making to the new plan making system. Consultants will be procured to assist with this process. Looking to create a Parish & Town Council Planning forum to brief and discuss planning matters (both development management and planning policy) with the Parish & Town Councils. This is expected to be established in Spring / Summer 2026 |
| Consider the impact of any Local Government Review (LGR) and arrangements for restructure | Chief Executive (CEO) | Ongoing | 31/03/2026 | Q3 - Government consultation is in progress on the four business cases, scheduled to end 11.1.2026. Officers working across the Essex system to set up workstreams as we approach the 'minded to' decision which is expected in March. |
| Transforming Together project - Decision Making Accountability (DMA) methodology work, supported by the Local Government Association (LGA) to review the Council's organisation and decision-making processes | Chief Executive | Ongoing | 31/03/2026 | Q3 - The LGA DMA review is now complete and is being used as part of the restructure implementation. Phase 1 Senior Leadership Team complete with Phase 2 in the planning stages. |
| Draw out and link all of our policies and their objectives through a review of the LDP (e.g., corporate plan, climate change) | Director of Place, Planning and Growth | Complete | 31/12/2027 | Q3 - Consultants will be procured to assist with this process. As a result, this target should be closed. |
| Refresh the risk management framework | Assistant Director - Programmes, Performance and Governance | Complete | 31/07/2025 | Q1 - 5 June 2025 PGA meeting approved the revised risk management framework, incorporating best practice and suggestions that have been made in audits. |

| Title | Owner | Status | Target Completion | Commentary |
|--|--------------------------------|----------|-------------------|---|
| Manager training to support awareness and capacity for Equality Impact Assessments (EQIAs) | Assistant Director - Resources | Complete | 01/07/2025 | Q1 - EQIA training provider sourced, and training delivered to managers in Quarter 1. |

4. CONCLUSION

4.1 The information provided gives progress updates against the key actions defined in the AGS.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Good governance will enable delivery of strategic priorities going forwards.

6. IMPLICATIONS

- (i) **Impact on Customers** – Not applicable (N/A).
- (ii) **Impact on Equalities** – N/A.
- (iii) **Impact on Risk (including Fraud Implications)** – Good governance will help minimise our corporate risk for the future.
- (iv) **Impact on Resources (human)** – The monitoring and delivery of this item is provided within existing resources.
- (v) **Impact on Resource (Financial)** - The monitoring and delivery of this item is provided within existing resources.
- (vi) **Impact on Devolution / Local Government Reorganisation** - Good governance supports the delivery of strategic goals, corporate priorities and quality services

Background Papers: None.

Enquiries to: Cheryl Hughes, Head of Performance, Improvement and LGR.

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**REPORT of
DIRECTOR OF NEIGHBOURHOOD SERVICES AND COMMUNITIES**
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 MARCH 2026

HEALTH AND SAFETY UPDATE - QUARTER THREE 2025 / 26

1. PURPOSE OF THE REPORT

- 1.1 To provide an update on Health and Safety (H&S) statistics and activity during Quarter Three (Q3) 1 October to 31 December 2025.

2. RECOMMENDATIONS

- (i) That Members consider the accident and incident statistics and incidences of unacceptable behaviour reported;
- (ii) That Members consider progress of key health and safety themes (as per Section 3.2).

3. SUMMARY OF KEY ISSUES

3.1 Quarter Three 2025 / 26

3.1.1 Summary of reported incidents

- 3.1.2 There were three accidents and incidents, and one near miss reported during Q3. Two accidents involved Members of the Public, one involving a vehicle collision with a council building, and the other involving a slip or trip at the Council Offices. One of the accidents reported was investigated due to the severity of the injury. The near miss reported concerned a council contractor who was not working in accordance with the risk assessments submitted for their work. A table of reports can be found in **APPENDIX 1**.

| | Accidents & Incidents | Hazards & Near Misses | No. where full investigation conducted* | No. where risk mitigation is recommended |
|--|----------------------------------|----------------------------------|--|---|
| Events involving Maldon District Council (MDC) Staff | 1 | 0 | 0 | 0 |
| Events involving Public | 2 | 0 | 1 | 1 |
| Other | 0 | 1 | 0 | 0 |

Number of accidents, incidents or near misses that are RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) Reportable are given in brackets. Diseases/ ill health suspected to be work related but not attributed to a particular event will be provided in the 'Other' designation. *A full investigation is normally conducted where injury is suspected to be caused by a defect in MDC assets or work processes or for an event where there was a significant likelihood of significant harm occurring.

3.1.3 There were six incidents of unacceptable behaviour reported with three being by telephone, one via e-mail, one partner referral and one experienced in-person. The incident experienced in person, involved physical contact however there was no injury. No further details can be shared. Of the reports made three were generated using the Council's 'quick capture' report form highlighting its use in recording low-level events. All reports are vetted by an administrator to ensure the correct categorisation and, if necessary, support. A table of incidents can be found in **APPENDIX 1**.

| Type | Severity | | | | Mitigative Measures | Police Notified |
|------------------|----------|-----|-----|------|---------------------|-----------------|
| | High | Med | Low | Vex. | | |
| In Person | 1 | - | - | - | 0 | 0 |
| Via e-mail | - | 1 | - | - | 0 | 0 |
| Via Telephone | - | - | 2 | 1 | 1 | 0 |
| Other Means* | - | - | - | - | - | - |
| Partner Referral | - | 1 | - | - | 0 | 1 |

*Other Means – Unacceptable behaviour received by other means (e.g. indirectly via social media posts, or letter sent by post etc.). Vex. = Vexatious contact or contact with obstructive or malicious intent.

3.2 Health and Safety Actions

3.2.1 A number of actions are set out below. Work continues to progress these with all completed actions removed. Since only a short period has passed since the last update was given to the Performance Governance and Audit Committee the progress highlighted is relatively modest.

| Subject | Action | Update / Progress |
|-----------------------------|--|--|
| Emergency Procedures | (i) To revise and improve the fire and evacuation procedure at main MDC locations. | (i) Fire drills at offices on schedule. Drills at depots completed however increase in frequency required. (ii) Emergency equipment at offices now documented for responders. |
| H&S Training | (i) To determine H&S training requirements (Corporate and Teams) | (i) Training identified. Requires monitoring by department Managers. (ii) Funds assigned to corporate H&S training for remainder of 2025 have allowed booking of courses identified. (iii) Courses administered are progressing well and on track. |

| Subject | Action | Update / Progress |
|---------------------------|--|---|
| Risk Assessment | (i) To implement a new risk assessment register / master list | (i) Master list in place. Will require ongoing review and monitoring. (ii) Corporate risk assessments now completed in draft. Reports required for additional resources to be progressed and included in monthly highlight report. (iii) Training to support transport procedure being implemented. Phase 1 completed. |
| Lone Working | (i) To revise lone working procedure and to ensure implementation of appropriate hardware to support these measures. | (i) Details of revised procedure agreed. Corporate lone working device now procured, training and implementation to commence shortly. |
| Audit / Inspection | (i) To ensure service teams and work locations across MDC are in compliance with H&S Legislation | (i) Mini-audit of Parks and Maintenance depots completed. Reports for Parks depot and other assets now complete. Maintenance depot outstanding. (ii) Observation of working practices to be established by teams. Tools provided. Electronic reporting forms have been developed and are now in testing. (iii) Draft schedule of site inspections agreed. |

3.3 Health and Safety Groups

3.3.1 The Senior Managers group continues to meet every six weeks to progress and review our performance on health and safety. The last meeting was paused whilst phase 2 of the 'Transforming Together' process became clearer. Efforts continue to maintain accountability and the tracking of actions raised to this group. Routine updates from each service area are conducted as part of these meetings with feedback now planned to be given to the Senior Leadership Team (SLT) on a regular basis.

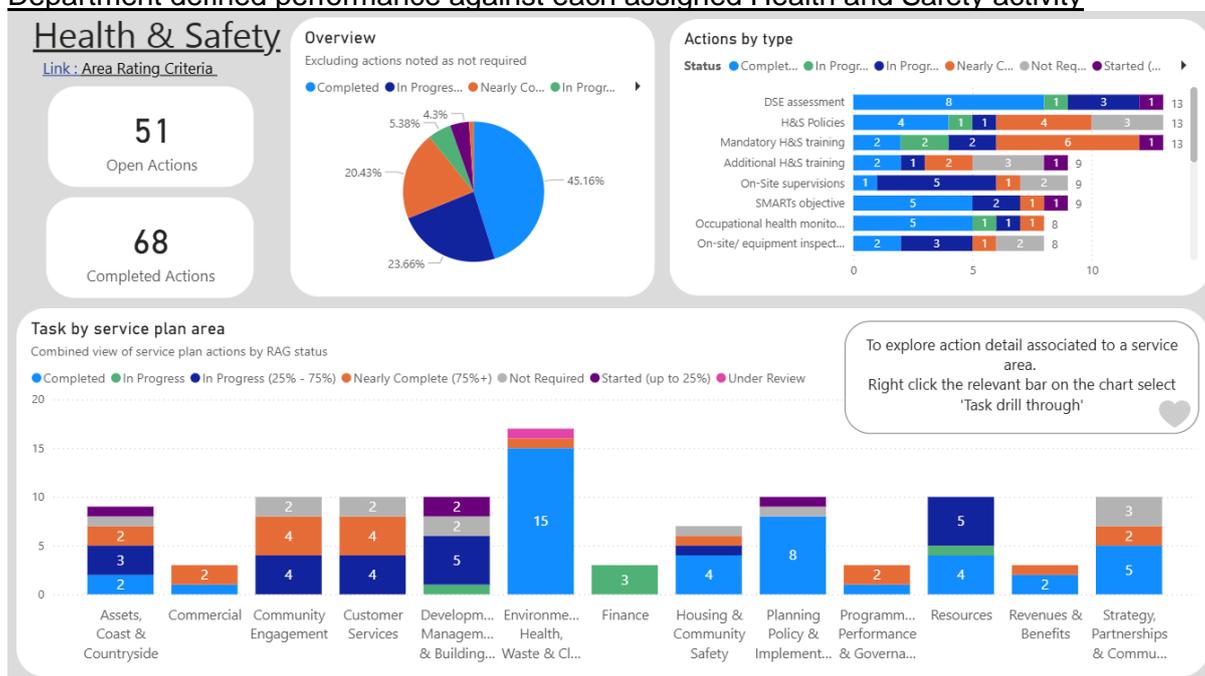
3.3.2 Safety Action Team (of Safety Representatives) meet quarterly with minutes distributed via notice boards. The Team is currently exploring designs for the production of an 'emergency card' that can be issued to all staff.

3.4 System Resources

3.4.1 Work continues to improve health and safety performance in a number of service areas. Resources for health and safety improvements have now been agreed in principle with the Chief Finance Officer for both the current financial period and future years.

3.4.2 Further work to enhance the visibility of health and safety performance in the new corporate structure is being undertaken. A monthly highlight report submitted to SLT has been agreed as providing the appropriate level of governance supported by routine attendance of the Corporate H&S Manager (see 3.3.1 also).

Department defined performance against each assigned Health and Safety activity



Service Plan Performance Data Captured 6-2-2026

3.5 Fire Risk Assessments

3.5.1 There are no further updates in this regard. Details provided are as previous (see below), however it is noted that responsibility for Fire Risk Assessments have now been rationalised under one service area. Actions generated from the Fire Risk Assessments are being progressed. Progress has been made to close a number of actions for the main offices. Those for the depots require attention. Drills continue to be conducted with spot checks made during depot audits and inventory exercises. Work to the fire detection and alarm system will require the modification of procedures for the main offices in due course.

3.6 Policies and Procedures

3.6.1 Work is continuing to review and update all corporate policies and procedures that have expired. Where roles and responsibilities have changed as a result of the 'Transforming Together' process, input from SLT will be required to confirm the working groups that are relevant to each procedure and therefore their review. Those

documents requiring minor amendments are largely completed, whilst those requiring more significant changes are awaiting to be review. Audit action R1 in section 3.11 covers this topic.

3.7 Health and Safety Inspections

3.7.1 Annual mini-audit inspections of the Council depots have been completed. A schedule of staff-led H&S inspections has been devised (along with inspection proformas). Work continues on a tablet-based application to assist with this work.

3.7.2 An inspection of the Blackwater Leisure Centre was conducted. The report is in preparation. Essex County Fire and Rescue has been approached with regards to conducting a familiarisation visit, as is good practice for such venues.

3.8 Legionella

3.8.1 Routine work of the council's contractor continues. A new contract will be required in the new financial year. Items concerning legionella, identified as part of the mini-audit inspections (see Section 3.7.1 above) have been raised in the respective reports. Members of Facilities and Maintenance teams were trained in legionella awareness during the period.

3.9 Training

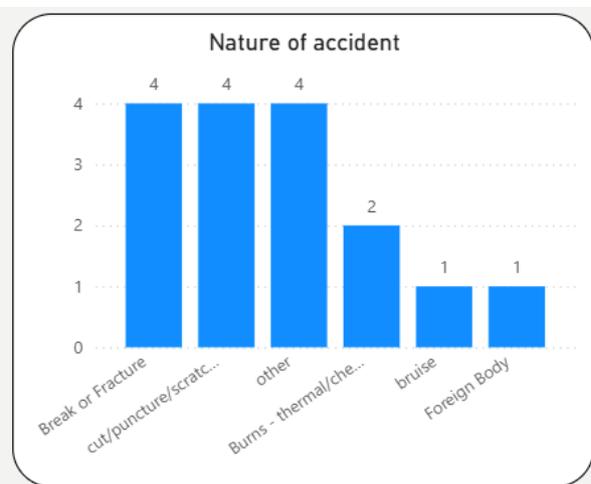
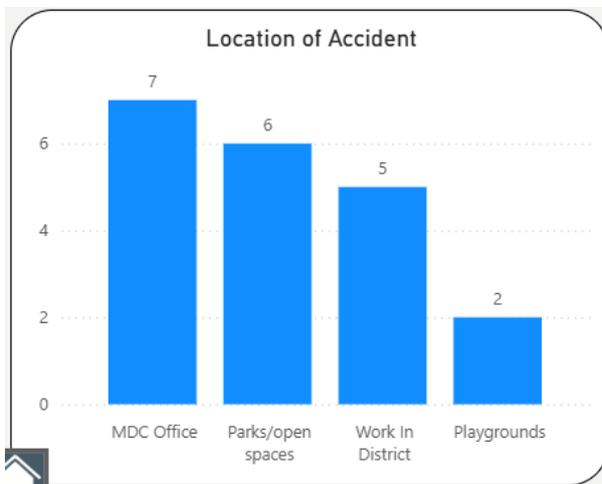
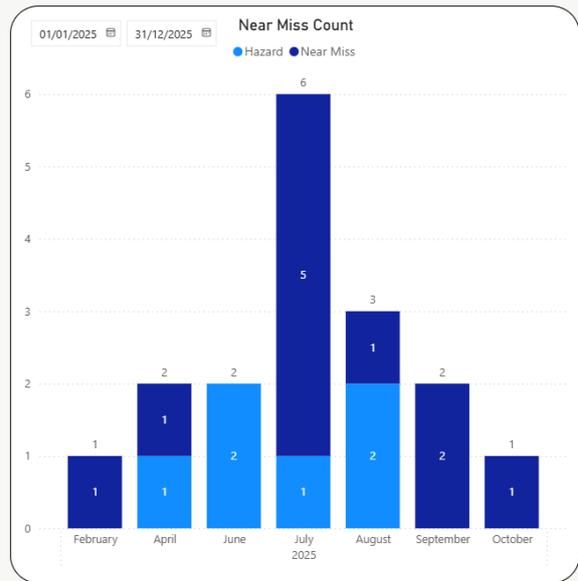
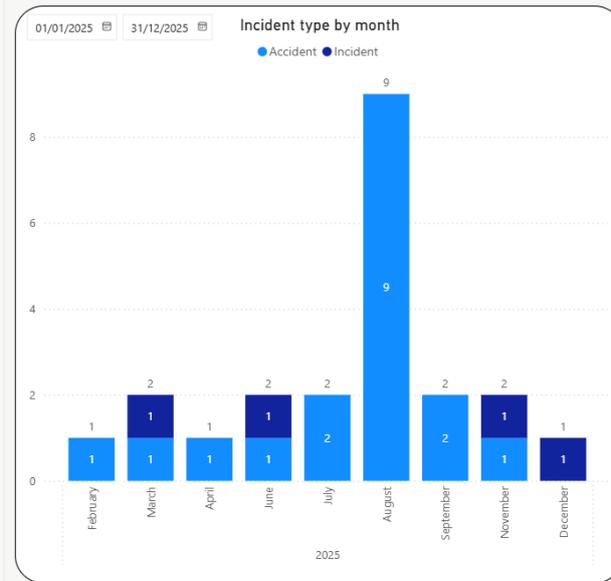
3.9.1 A number of training sessions were conducted in the period including phase 1 of the driver safety (classroom) sessions for those who drive on council business and managing telephone aggression for those in customer services, housing, waste and environmental health teams. The busy training schedule will continue over the winter period, which is often a good time to administer the sessions. Fire Marshal, Lone Working, Manual Handling and Ladder User courses have all been scheduled. Discussions have commenced with colleagues at Mind regarding training and support their organisation can offer as group 'debrief sessions' for teams experiencing potentially violent and aggressive customers. Driver familiarisation sessions (in-vehicle) are also planned with the Safer Essex Road Partnership for those who drive Council-owned vehicles.

3.9.2 Further work on administering e-learning modules for health and safety topics, tailored to specific teams is required. Three topics are currently live but there are an additional eleven in the health and safety training library. A health and safety training day for members of the newly appointed SLT is proposed in the new financial year.

3.10 Accident-Near Miss Reporting

3.10.1 The colder winter months saw the expected drop in accident, incident and near-miss reporting. Only one incident involved a member of staff. Accident and Incidents associated with the main offices, whilst very low in number are a particular reminder of the growing occupancy of the building and the diversity of (partner) user-groups. This highlights the importance of staff vigilance in hazard reporting and the need for rigorous maintenance and routine inspections.

Health & Safety Reporting



3.11 Health and Safety Audit ([Audit Actions 2024-2025 doc](#))

3.11.1 There were no assigned audit actions for the period, with the deadlines originally given now all expired. Whilst most actions have been completed, those below remain outstanding to some degree. The table summarises their completion status. With the transforming together process now coming to an end, it is hoped that those staff with new or newly confirmed roles and responsibilities can begin to tackle the remaining items.

| Risk | Item | Status |
|------------|--|---|
| R5 (Red) | An inspection schedule frequency should be agreed with each service area head and with the Health and Safety team. | Near Completion. An inspection schedule has been agreed and templates to support the process created, however this has not yet been implemented by them. Teams have requested an electronic inspection form. This is in the testing phase. |
| R1 (Amber) | All of the out-dated supporting guidance documents identified in the Health and Safety Policy/Procedure Index | Outstanding. Each H&S procedure has an agreed working group and team lead'. The group and lead are responsible for review of the procedure. |

| Risk | Item | Status |
|------|---|--|
| | should be reviewed and updated, ensuring they align to current statutory requirements and the Council's procedures. | Whilst there has been progress, there are a number of documents that still require work. This is being supported by SLT, with a new monthly highlight report which will serve to highlight non-compliance. With the transformation process nearing completion roles and responsibilities should become clearer allowing renewed focus on this task |

3.12 Priorities going forward

3.12.1 The priorities for the next quarter will be to complete the remaining tasks set out in the Audit Action Plan including work to review, and revise where necessary policies and embed health and safety inspections. Outside of the audit, work will be necessary to progress with corporate health and safety training, which has commenced and to implement a lone working device to support those who work alone across the authority (see table in section 3.2.1). Some additional training for the newly formed SLT group on the authority's health and safety responsibilities and management system are proposed. This will complement the health and safety highlight reports which will be submitted to them on a routine basis.

4. CONCLUSION

4.1 Accidents, near misses and incidents of unacceptable behaviour during Q3 2025 / 26 have been set out within this report.

4.2 Proactive work on the main health and safety themes continues and good progress is being made.

4.3 Some roles and responsibilities for health and safety will change as a result of the 'Transforming Together' process. The Corporate Health and Safety manager will work with SLT to ensure a smooth transition, so that work to progress health and safety improvements continues at a suitable pace.

4.4 Additional health and safety improvements will continue to be implemented alongside the final remaining items arising from the health and safety audit.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Delivering good quality services.

5.1.1 Good health and safety management of the workplace, for example, management of asbestos and legionella, helps provide a safer and healthier environment in which to live and work.

6. IMPLICATIONS

- (i) **Impact on Customers** – Good health and safety management reduces the number of accidents and injuries to both customers and employees alike.

Reduced staff absence resulting from work related injuries or ill health ensures a better service is provided to customers.

- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk (including Fraud implications)** – Poor management and insufficient investment in health and safety can lead to accidents, injuries, occupational ill health or dangerous occurrences. This may result in avoidable sickness absence, regulatory intervention and/or civil claims. Effective risk management can build public trust, demonstrating the Council's commitment to the wellbeing of its communities and the responsible use of public resources.
- (iv) **Impact on Resources (financial)** – Costs associated with the initiatives set out in the report and other future initiatives, will be considered as part of the budget round 2026 / 27.
- (v) **Impact on Resources (human)** – Compliance is dependent upon Managers completing their Health and Safety actions within their service plans and having the time and resources to achieve this. The positive impact will be manifest through proactively preventing accidents and ill health, reducing reputational damage, personal injury and other associated costs. By investing in health and safety, which includes improving training and levels competence, staff will feel valued leading to better morale and staff retention.
- (vi) **Impact on Devolution / Local Government Reorganisation** - All employers, including local authorities are legally required to have a health and safety policy in place and are at risk of enforcement action if they fail to do so. Where authorities merge, details of the arrangements put in place for health and safety may need to change, but the general themes of policy (i.e. why, who and how the policy must be administered) will be broadly similar. It is anticipated that government re-organisation will lead to changes at an operational level which will be addressed using new procedures and supporting documentation when so required.

Background Papers: None.

Enquiries to: Paul Baccarini, Corporate Health and Safety Manager.

Reporting Details

| ACCIDENT/ INCIDENT REPORTS Q3 2025 / 26 | | | |
|---|---|---|----------------------|
| Event | Action | Note | Person |
| 11-2025 (Accident) Partner trip at Council Offices injuring their ankle | Incident investigated due to severity of injury. Door threshold is raised in this location but not defective. | Previous incident came to light some years earlier. Options to mitigate this risk including modifications to door threshold being investigated | Partner |
| 11-2025 (Incident) Car left the highway and hit boundary wall. | Vehicle details taken. Building Control inspected damaged to ensure structure was safe. | Not related to defect in MDC assets or work activities. Believed to be a single vehicle involved. Classified as an accident as injury expected. | Member of the Public |
| 12-2025 (Incident) Driving incident. No damage | None required. | New member of staff. Driver familiarisation sessions planned for all those that drive council vehicles. | Staff |

| NEAR MISS / HAZARD REPORTS Q3 2025 / 26 | | | |
|--|--|------|------------|
| Event | Action | Note | Person |
| 10-2025 (Near Miss) Contractors non-compliance - working at the offices, not in accordance with supplied risk assessments. | Incident raised with Contractor to inform they of non-compliance and that their operative was working unsafely | | Contractor |

| UNACCEPTABLE BEHAVIOUR REPORTS Q3 2025 / 26 | | | |
|---|---|----------------------------|-----------|
| Incident | Action | Note | Method |
| 10-2025 Verbal Abuse of Housing staff | Warning letter sent. | Category E (Low Severity) | Telephone |
| 11-2025 Physical assault during housing visit. No Injury | Incident involving a child. Record details only | Category B (High Severity) | In Person |
| 11-2025 Abusive e-mail received by housing and homelessness staff | Record details only (quick capture report) | Category E (Low Severity) | Email |
| 11-2025 Verbal abuse received by housing staff | Record details only (quick capture report). | Category E (Low Severity) | Telephone |

APPENDIX 1

| UNACCEPTABLE BEHAVIOUR REPORTS Q3 2025 / 26 | | | |
|---|---|---------------------------------|---|
| Incident | Action | Note | Method |
| 12-2025 During a visit to a property, contractor vehicles were blocked in and threatening behaviour experienced | Police contacted by MDC. Mitigations and other actions to be implemented by contractor | Category C (Medium Severity) | In Person (3 rd Party referral) |
| 12-2025 Customer services staff experienced vexatious behaviour with unreasonable demands | Record details only (quick capture report) | Category F (Low Severity) | Telephone |



REPORT of CHIEF EXECUTIVE

**to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 MARCH 2026**

2025/26 ANNUAL GOVERNANCE STATEMENT

1. PURPOSE OF THE REPORT

- 1.1 To provide an Annual Governance Statement (AGS) 2025/26 for review and adoption.

2. RECOMMENDATIONS

- (i) That the Committee approve the Annual Governance Statement (**APPENDIX A**) and that this is appended to the Statement of Accounts;
- (ii) That the Performance, Governance and Audit Committee (PGA) monitor the progress of the action plan identified in the AGS through a quarterly report.

3. SUMMARY OF KEY ISSUES

- 3.1 The AGS analyses Maldon District Council's governance arrangements for 2025/26 against Chartered Institute of Public Finance and Accountancy (CIPFA) best practice, this is also the second version where we include analysis against CIPFA Financial Management code Standard C 'The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control' – which was identified by the Local Government Association (LGA) finance peer review as a possible improvement action for the Council.
- 3.2 The AGS reviews the criteria for good governance and the activity that has taken place within these criteria over the 2025/26 financial year, as well as including the internal audit statement / review of the year.
- 3.3 The document also highlights areas whether further improvements could be made to improve governance and build best practice, and this is set out in the action plan proposed for 2026/27. An action that rolled over from 25/26 but has been removed in this version is 'Draw out and link all of our policies and their objectives through a review of the Local Development Plan (LDP) (e.g., corporate plan, climate change)' This is because we are unlikely to pursue a Local Plan under the old system as we would not meet the Government's deadline. The decisions around this will be coming back to Council in due course.
- 3.4 Overall, there are no significant governance concerns and there have been improvements within the year, as highlighted in the report.
- 3.5 The AGS is provided separately to the Statement of Accounts to recognise the importance of the document and information set out in supporting our governance

arrangements, which underpin the way our financial reporting is produced. If the draft is approved by the Committee this will then be appended to the Statement of Accounts.

- 3.6 To meet committee timetables, this report has been brought forward before the conclusion of the financial year. Officers do not anticipate significant governance changes between now and the end of March 2025, but if there are any, a revised version of the document will also be brought forward accordingly.

4. CONCLUSION

- 4.1 The draft AGS is provided for Committee review and adoption, and comments on our Governance arrangements for 2025/26, and the plans for improving these in 2026/27.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

- 5.1 None.

6. IMPLICATIONS

- (i) **Impact on Customers** – The report gives visibility to our residents around our governance arrangements and supports openness and transparency.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk (including Fraud implications)** – Good governance includes good risk management and fraud awareness and comment on these areas is included in the AGS.
- (iv) **Impact on Resources (financial)** – This document is appended to the statement of accounts and contributes to financial reporting.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on Devolution / Local Government Reorganisation** – The impact of LGR and governance arrangements is included in the commentary of the report.

Background Papers: None.

Enquiries to: Cheryl Hughes, Head of Performance, Improvement and LGR.

Annual Governance Statement 2025/26, Maldon District Council

Achievements for 2025/26

Over the financial year, the following governance framework improvements have taken place:

- Local Government Association (LGA) [Decision Making Accountability](#) review of the organisation and implementation of new senior leadership team and structure.
- Final finance peer review actions marked as completed and closed.
- Refreshed Risk Management Framework adopted through the Performance, Governance and Audit (PGA) Committee, with best practice updates included.
- Corporate Governance Audit and associated recommendations completed.
- Equality Impact Assessment Training (EQIA) provided to managers.
- Personal Resilience mapping across the whole organisation, and resilience training offered to all staff. The first local authority to do so across the whole organisation.
- The 2024/25 financial accounts were produced as required and to a high standard and we are now working with the external auditor to deliver further improvements as we report on the 2025/26 financial year.

Internal Audit Summary- Provided by BDO LLP

The role of internal audit is to provide an opinion to the Council, through the PGA Committee, on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed. The annual report from internal audit provides an overall opinion on the adequacy and effectiveness of the organisation's risk management, internal control, and governance processes, within the scope of work undertaken by BDO LLP as our providers of the internal audit service. It also summarises the activities of internal audit for the period. The basis for forming the opinion is as follows:

- An assessment of the design and operation of the underpinning Assurance Framework and supporting processes.
- An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year
- This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses; and any reliance that is being placed upon third party assurances.

Overall, at the time of drafting this statement, BDO LLP can provide moderate assurance that there is a sound system of internal control, designed to meet the Council's objectives and that controls are being applied consistently. In forming this view, they have considered that:

- in the last 12 months (including two audits that were at draft report stage from the 2025/26 internal audit plan), seven out of eight audits provided either Substantial or Moderate assurance over the design of controls (Substantial: three, Moderate: four). These figures include two audits from the 2024/25 internal audit plan and five from the 2025/26 internal audit plan.
- in the last 12 months (including two audits that were at draft report stage from the 2025/26 internal audit plan), eight out of eight audits provided either Substantial or Moderate assurance over the operational effectiveness of controls (Substantial: two, Moderate: six). These figures include two audits from the 2024/25 internal audit plan and six from the 2025/26 internal audit plan.
- During 2025/26. one audit that focused on the introduction of an enhanced HR System has provided a Limited assurance opinion for the design of the control environment.

- Generally, these outcomes are consistent with outcomes for previous years where a Moderate assurance rating is provided.

Some areas of weakness have been identified through our reviews, including introducing a service level agreement for the HR service provider, which was previously absent. However, the Council is already working to address the issues identified.

The Council has implemented most previously raised internal audit recommendations, with only four out of eleven recommendations classed as In Progress from 2024/25 and none classed as overdue (this is based on the last follow up exercise conducted in November 2025).

There are currently three remaining reviews from the 2025/26 internal audit plan to complete (IT Governance, Medium-Term Financial Strategy (MTFS) and Main Financial Systems). While fieldwork is yet to be complete, based on scoping and work completed to date, it is not expected that any significant issues will be identified, and it is unlikely that their outcomes will change the overall opinion outlined above.

Action plan for 2026/27

In 2026/27 we have identified the following actions to support best practice for governance.

| Action | Owner |
|--|--|
| Ensure smooth transition for Local Government Reorganisation, and clarity on governance pre and post Vesting day | Chief Executive |
| Engage with networks and activities to support Local Government Reorganisation (LGR), to ensure 'safe and legal' operations for vesting day. | Head of Performance, Improvement and LGR |
| Look at ways to increase engagement for the staff survey, in light of decreased response rate from 65% to 50% | Head of HR |
| Review staff survey and identify actions to continue improvement, further to Decision Making Accountability work | Director of Strategy and Improvement |
| Review ICT strategy (due for 2027) in light of LGR | Lead Specialist ICT |
| Identify an Asset Management Plan for the organisation. | Director of Neighbourhood services and communities |
| Develop a Corporate Enforcement Policy | Director of Place, Planning and Growth |
| Review developer contributions management process for the organisation | Director of Place, Planning and Growth |

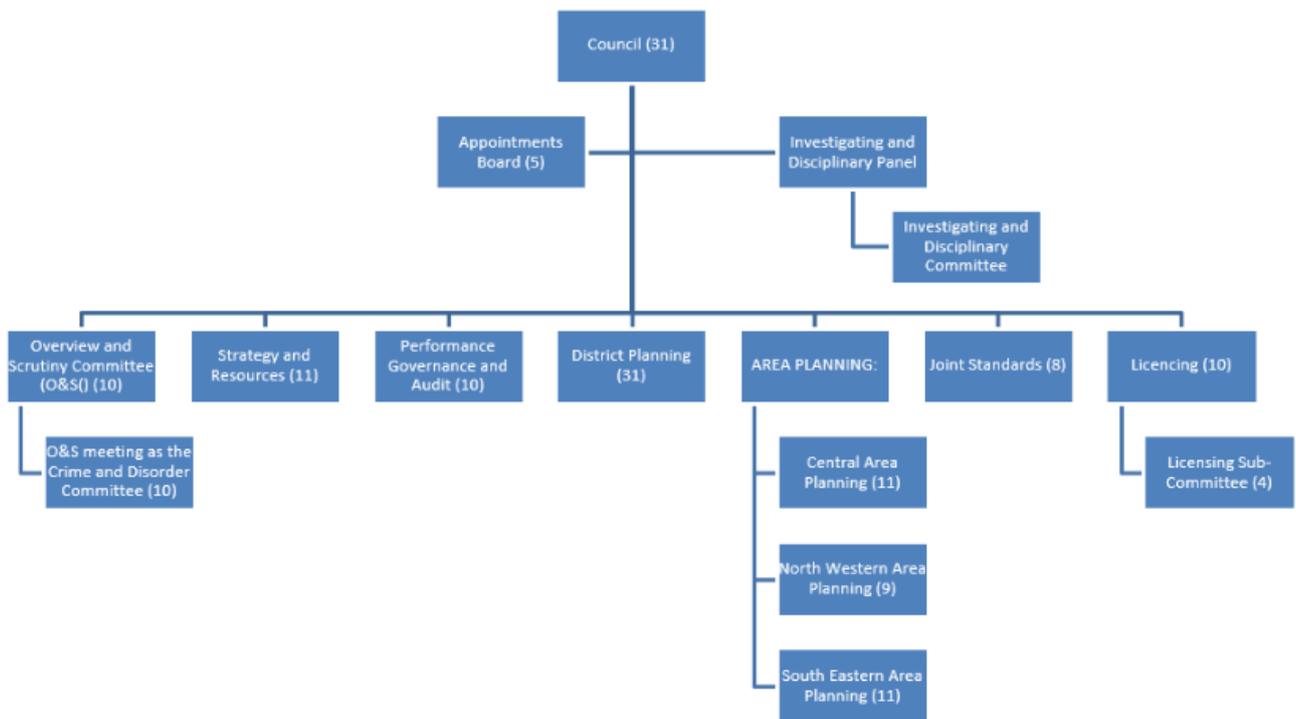


The following section comments on what Maldon District Council has put in place to demonstrate these CIPFA principles of good governance.

A- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The Committee structure set out below has been in operation in 2025/26

1. MALDON DISTRICT COUNCIL COMMITTEE STRUCTURE



On 13 November 2025, the PGA Committee considered whether a review of the Planning committee arrangements, to be ahead of the Planning and Infrastructure Bill, which will remove Area Planning committees. The Committee decided not to recommend this to Council, but the bill is likely to come into force in 2026/27 and have an impact on our committee structure.

<https://democracy.maldon.gov.uk/ieListDocuments.aspx?CId=284&MId=4477&Ver=4>

Committee meetings continued to run with a live YouTube stream, in 2025/26. All previous and live streams can be viewed at [Maldon District Council - YouTube](#). Public can also choose to observe meetings in the Council chamber.

Maldon chooses to operate an overview and scrutiny committee, although this is not required as the organisation operates a committee system. There were eight scrutiny requests made. Some of these were adopted as full workplan items which were:

- Planning appeal re. land at A414
- Planning appeal re. land at Church Road
- Leisure Contract- communications and messaging
- Leisure Contract – post implementation review

Additionally other items including Local Plan Housing Mix and Cemeteries Maintenance have had detailed working group review or been agreed as 'watching brief' items.

Lessons learned from overview and scrutiny items have been referred onto the PGA Committee and Council for further action during the year.

Since July 2024 an Independent Person has been appointed to the PGA Committee. The current postholder was reconfirmed June 2025.

The Council has a [Whistle Blowing Policy](#), which was refreshed and approved by the Strategy and Resources Committee in November 2023. It sets out the arrangements for employees to disclose allegations of malpractice internally, in relation to staff, Members, contractors, suppliers or consultants in the course of their work for the Council, without fear of victimisation, discrimination or disadvantage.

The Council launched an Annual Staff survey in December 2019, and ran this for the Sixth time in November 2025, with a response rate of 50%, this is a decrease of 15% on the previous year. The survey gives areas of staff feedback for management to address and allows the organisation to review areas of improvement or reduction in satisfaction between years. As part of the launch of the 2025 survey, we also highlighted the specific actions, 'you said, we did', that have been put in place off the back of previous year's feedback.

The Council has adopted a number of codes and protocols which set out the parameters for the way in which it operates, in particular a Member / Officer Relations Protocol intended to clarify roles and promote effective communication. As part of the May 2023 all Member Onboarding process, we included digital copies of these Codes in the induction pack and covered them as part of the member onboarding day. The induction pack has been added to all member desktops, as a reference guide.

The Council's Financial Regulations provide the framework for managing the Council's financial affairs. They identify the financial responsibilities of the Council, the Committees, and key officers. The Section 151 Officer (S151) (under the Local Government Act 1972) is responsible for ensuring that sound financial management systems are maintained, and expenditure is lawful and appropriate.

Registers of gifts and hospitality are maintained for both Members and Officers. A statutory register of interests is maintained for Members, and the staff Code of Conduct requires staff to disclose interests. Periodic reminders are issued about the need to avoid potential conflicts of interest and protocols for the acceptance of gifts and hospitality.

BDO LLP under their remit of Internal Auditors consider fraud as part of their audit workplan. This ensures we conform to the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA (Chartered Institute of Public Finance and Accountancy) 2014).

A set of corporate values are in place for staff which include to 'act ethically and with integrity'.

B- Ensuring openness and comprehensive stakeholder engagement

We ran the annual residents survey November - December 2025, which was available online, and promoted through communications. Specific questions in the survey are used to measure the delivery of the corporate plan outcomes. A key concern in 2021/22 was the low response rate to this survey, we have

built on this in the years since, with 350 the target for a representative sample, and in the 2025 survey we received 672 responses.

Public are invited to speak at committee meetings, and with meetings held in a hybrid set up the Council has also had provision for online participation to improve access. On average, across three months November- January, there were 135 views on each of the Youtube recordings of meetings.

The Council has an internal audit plan, which reviews its controls and risk and provides opportunity for improvements to be identified and addressed.

In 2025/26 four audits have been completed and a further two are at draft report stage in the areas of:

- HR System Review
- Waste and Recycling
- Safeguarding
- Corporate Governance
- Management of Property
- Food Safety.

Reviews are ongoing for:

- IT Governance
- Medium Term Financial Strategy
- Main Financial Systems.

C- Defining outcomes in terms of sustainable economic, social and environmental benefits

The [Corporate Plan](#) sets out our five priorities (Supporting our communities; Investing in our district; Growing our economy; Protecting our environment; Delivering good quality services) and the benefits that they will achieve.

Key performance indicators that measure delivery of these priorities are reported quarterly to the PGA Committee.

The latest quarterly performance (tracking the previous corporate plan due to timelines) can be seen at [democracy.maldon.gov.uk/documents/s40861/Appendix 1.pdf](https://democracy.maldon.gov.uk/documents/s40861/Appendix%201.pdf)

The Corporate Plan details the vision, goals, and objectives that guide the direction, work and achievements of the authority. It is the Council's core internal strategic planning document, from which supporting strategies can be developed and published, including the MTFs, ICT Strategy and Workforce Development Plan, all of which underpin the Council's ambition to transform the way it delivers its services in the future.

LGR has also had an impact on strategy in 25/26, and this has been reflected on with an 'impacts of LGR' section now added to all Committee reports.

At an operational level, each service produces a service plan. These are not submitted to Committee but facilitate effective performance and risk management within the Directorates including the setting of individual staff objectives and completion of performance reviews. The service plans are kept in a central internal SharePoint system, and actions have monthly owner updates, and the service manager provides a monthly highlight report with exceptions for the Senior Leadership Team (SLT), as a way to manage service plan performance issues dynamically. Exceptions to delivery are reported to the PGA Committee through the Balance Scorecard exceptions report.

D- Determining the interventions necessary to optimise the achievement of the intended outcomes

An LGA Decision Making Accountability (DMA) review of the organisation took place in 2025/26, leading to implementation of a senior management restructure (complete October 2025), and review of all staff structure (due for completion March 2026)

In 2023/24, the LGA completed a finance peer review. Findings were reported to Members and an associated action plan accepted which delivery continued against in following years. All of the 42 actions were marked as closed in 2025/26.

The PGA Committee is provided with a quarterly performance report for delivery of the Corporate priorities. The Committee is invited to challenge and focus delivery of these.

The new SLT is committed to regular review and updating of the Corporate Risk Register to identify areas of risk to service delivery, and Risk Reporting is also quarterly reviewed and challenged by the PGA.

An ICT strategy for 24-27 was adopted ([Appendix 2.pdf](#)), this also drives a vision for the Council's technology and processes. This will be further refined in light of LGR

E- Developing the entity's capacity, including the capability of its leadership team and the individuals within it

The diagram below shows how our Corporate Plan links down to team service plans, and individual staff objectives. In 25/26 we have continued to have a service plan template.

Heads of Service are responsible for delivery of a monthly tracker report and reporting highlights and lowlights on their service plans to SLT. Exceptions to these are reported to the PGA Committee through the Balance Score Card exceptions.



To underpin objectives, and support staff and members in delivery of their role, the Council has also developed and delivered:

- A whole organisation review of personal resilience levels has taken place in 25/26, and training offered for all staff to improve their personal resilience.
- All member external training has been held to support skills for Scrutiny, and Performance and Improvement
- Key strategies to define delivery that have been live including a data and insight strategy, a procurement strategy, an asset management strategy, business continuity strategy and a comms, marketing and engagement plan.
- Close work with the Member Training and Development Working Group to identify and respond to training needs.

- Member Chairperson and Vice-Chairperson training following the Annual Council meeting in May 2025.
- Lean Six Sigma (process improvement) support for staff to review processes.
- Project Management Office (PMO) support for project managers and the senior leadership team, including measuring project performance and outcome delivery.

F- Managing risks and performance through robust internal control and strong public financial management

In June 2025 a new [Risk Management Policy](#) was adopted for the Council, and has been updated with best practice.

A Quarterly Corporate Risk register review goes to the PGA Committee. The latest reporting can be seen under agenda item 9 at this meeting [Agenda for Performance, Governance and Audit Committee on Thursday 22nd January 2026, 7.30 pm : Maldon District Council](#)

Risks are a regular item of discussion in the monthly Extended Leadership Team meetings and Service Management Meetings.

Led by the Finance Member Working Group, the Council is continuously reviewing and updating public financial reporting to ensure that finance reports cover all aspects of financial performance in a suitable way, and financial risk is managed accordingly.

Additionally, substantial effort has been put into improving the position regarding audited accounts, first by ensuring all required sets of accounts are published and second by working with the external auditor to rebuild assurance overall.

Maldon District Council has a drive to be more performance-led. This year the Council has continued to develop its monthly internal Balance Scorecard report for Senior Management review and scrutiny and completed a rebuild of Corporate performance reports which will be based on Member feedback, latest system developments and the revised Corporate Plan.

A six-monthly report of operational exceptions from the Balance Scorecard has been reported to the PGA. In 2025/26 it has been agreed to add Member training statistics to this report.

A link to recorded risk training is provided for new staff onboarding and the Programmes, Performance and Governance team support staff with specific risk management queries and support. The team have also rolled out all staff and member e-learning.

Local Government Reorganisation of Greater Essex was confirmed in 2025/26. Maldon District Council is supporting response and delivery as required and identifying delivery risks and mitigations as part of the ongoing programme of work.

G- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

All Committee meetings are open for the public to attend. In 2025/26 the Council also continued to live stream all committee meetings via YouTube <https://www.youtube.com/@maldondc/streams>. Since late 2021, the Council has been able to accept attendance via MS Teams and has been running hybrid meetings to support preferences of those involved. Updates to the Constitutional and procedural documents have been made to allow for these arrangements.

The Council publishes its delegated decisions, which are updated quarterly at www.maldon.gov.uk/decisions

This year the Council ran quarterly performance reporting to align it to the corporate outcomes defined in the Corporate Plan, the reporting has been reviewed in 2025/26 to align to the Corporate Plan adopted in December 2024.

Members in the PGA Committee are invited to review the performance information and challenge where they feel delivery of the Corporate Plan outcomes is at risk. The internal process around producing this performance documentation also allows greater visibility for the senior managers around how staff are progressing agreed action plans.

An internal audit plan is defined according to areas of Corporate Risk. The Council has a quarterly update of internal audit progress, including audit actions due with officers, and this is reported to the PGA.

‘The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control’ (Financial Management (FM) code Standard C)

The CIPFA FM code also highlights this point in addition to compliance with the 2016 delivering good governance in local government as set out above.

CIPFA believes that the strength of FM within an organisation can be assessed by a hierarchy of three ‘FM styles’:

- delivering accountability.
- supporting performance.
- enabling transformation.

Maldon has been working against this principle in the following ways

| Delivering Accountability | Supporting Performance | Enabling Transformation |
|---|--|---|
| <ul style="list-style-type: none"> • The resetting of Senior Management Structure in 25/26 according to Decision Making Accountability approach • Leadership development of key members and officers. • Member training programme including specific Chairperson sessions, and close working with Member Training Working Group. | <ul style="list-style-type: none"> • Service plan templates and monthly highlight / exceptions reporting mechanism. • Quarterly performance reporting against corporate plan delivery. • Monthly operational performance reporting through balance scorecard and six-monthly exceptions reports for Committee. • Running an annual resident survey and using analysis to inform Corporate plan delivery. • Running an annual staff survey to look at areas of organisational improvement. | <ul style="list-style-type: none"> • Permanent process improvement resource to support improvement project delivery. • Quarterly improvement reports to track progress. • Key posts linked to LGR delivery for the organisation and engagement with the Essex-wide system. • Robust project management office approach to support project delivery. • Learning from best practice and adopting recommendations in internal audit and peer review work. |



**REPORT of
DIRECTOR OF LEGAL AND GOVERNANCE**

**to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 MARCH 2026**

COMMUNITY GOVERNANCE REVIEWS

1. PURPOSE OF THE REPORT

- 1.1 To consider and determine the outcome of the Community Governance Reviews of electoral arrangements for Little Braxted Parish Council and North Fambridge Parish Council, and revisions of parish boundaries for Heybridge Parish Council and Maldon Town Council.

2. RECOMMENDATIONS

- (i) That the Council considers the consultation responses for these Community Governance reviews;
- (ii) That subject to the Council being satisfied that the requests meet the law and associated Guidance with respect to the object of achieving effective and convenient community governance, it authorises the making of a Reorganisation of Community Governance Order under the Local Government and Public Involvement in Health Act 2007 to:
 - A) change the parish boundary between Heybridge and Great Totham to include the North Heybridge Garden Suburb wholly within the Parish of Heybridge to be effective from the next ordinary elections in May 2027.
 - B) increase the membership of Little Braxted Parish Council from five to six Councillors, to be effective from the next ordinary elections in May 2027.
 - C) change the parish boundary between Maldon West and Woodham Mortimer & Hazleigh to include the Crest Nicholson development wholly within the Parish of Maldon West to be effective from the next ordinary elections in May 2027.
 - D) increase the membership of North Fambridge Parish Council from five to seven Councillors, to be effective from the next ordinary elections in May 2027.

3. SUMMARY OF KEY ISSUES

- 3.1 The Council had begun work with the Boundary Commission for England on a District-wide electoral review, the first since 2020. In February 2025 however, the Boundary Commission gave notice that in view of the implications of the Government's English Devolution White Paper on its work programme and the impact on the electoral review work, its Board had decided that it would be appropriate for the review to be paused for the foreseeable future.

- 3.2 Building on the work already begun, all Parish and Town Councils were contacted to establish whether any particular issues required to be dealt with, the only alternative mechanism being through the undertaking of Community Governance Reviews under the Local Government and Public Involvement in Health Act 2007 by the District Council. Reviews may be instigated by resolution of the District Council itself or on petition from local electors.
- 3.3 The following requests were received from Parish and Town Councils:
- **Heybridge Parish Council**
Revision of the boundary with Great Totham to include the North Heybridge Garden Suburb wholly within the Parish of Heybridge.
 - **Little Braxted Parish Council**
Increase in its membership from five to six.
 - **Maldon Town Council**
Impact of new development at Maldon West in terms of parish boundary with Woodham Mortimer / Hazeleigh and the Electors: Councillors ratio / warding arrangements.
 - **North Fambridge Parish Council**
Increase in its membership from five to seven. The Council has already agreed to instigate a Community Governance Review for this proposal by resolution of the Committee in March 2023. The Parish Council has reaffirmed its request.
- 3.3.1 The boundary changes requested are intended to ensure that where new development straddles the boundary with a neighbouring Parish, the boundary is revised to encompass the development wholly within the predominant Parish. The impact of the new development at Maldon West and Heybridge West in relation to the existing Parish boundaries is clearly defined and shown on the maps attached as **APPENDIX A**.
- 3.4 Additionally, the request by Maldon Town Council sought a review of the impact of new development on the Elector: Councillor ratio with a view to increasing the number of Councillors and/or revising the warding arrangement. This aspect will need to be the subject of further examination and discussion with the Town Council.
- 3.5 Little Braxted Parish Council has requested an increase in its membership to help overcome the difficulties often encountered by operating with just five Councillors, particularly when a legal quorum for meetings is three.
- 3.6 North Fambridge Parish Council based its request on the growing size of the village. By increasing its membership, it feels that this will potentially improve diversity and provide the opportunity for a younger demographic. It observed that certain existing Councillors are now unable to carry out some of the physical duties arising from the Parish Council's responsibilities, and that an enlarged membership will assist in the distribution of responsibilities and work. The Parish Council has reaffirmed its wish to see an increase in its membership.
- 3.7 The Performance, Governance and Audit Committee on 5 June 2025 approved the District Council to proceed with these reviews, which must have regard to Government advice on Community Governance Reviews. This says that the Government has made clear its commitment to Parish Councils, recognising the role such councils can play in terms of community empowerment at the local level. The 2007 Act provisions are intended to improve the development and coordination of

support for citizens and community groups so that they can make the best use of empowerment opportunities.

3.8 The Guidance adds that in the interests of effective governance, the principal council should consider the benefits of undertaking a review of the whole of its area in one go, rather than carrying out small scale reviews in a piecemeal fashion of two or three areas. However, it is recognised that a full-scale review will not always be warranted, particularly where a review of the whole area or a significant part of the principal council's area has been carried out within the last few years. Occasionally, it may be appropriate to carry out a smaller review, for example, to adjust minor parish boundary anomalies.

3.9 Officer comments on these requests were as follows:

- a) It is acknowledged that the membership size for Little Braxted (as with North Fambridge) has been set at the minimum legal level along with some other Parish Councils, and that this has been so since 1974. The National Association of Local Councils has for some time advocated that the minimum membership for Parish Councils should be seven, but to date there has been no change in the law. The Council has previously decided not to broaden the scope of any review to include all Parish Councils operating at the minimum level and that each area must be considered on its own merits. There is nothing to suggest that this stance should change.
- b) Operating at the legal minimum membership need not be an issue although there will on occasions be the potential threat to a quorum for meetings.
- c) With regard to sharing workloads and responsibilities, this is something that can of course fluctuate over time. It is always open to a Parish Council to co-opt or bring in other persons to assist, albeit in a non-decision-making capacity.
- d) If Community Governance Reviews are undertaken, they can be concluded to take effect in time for the next ordinary elections in May 2027.

3.10 For members information, the Community Governance Review documents published for consultation are shown in **APPENDIX B**

3.11 As for the Review itself, while the law and Guidance is not specific on how the views of the electors of the area in question should be sought, the view was taken by Officers that the following steps would be sufficient and proportionate to publicise the consultation:

- The District Council's website;
- The Parish Council's website;
- The District Council's Facebook and NextDoor page;
- Essex County Council was notified (required by law).

3.12 The review terms of reference and consultation were published on 28 October 2025, with a closing date of 23 December 2025.

3.13 A total of 12 local residents and parish councils have responded, of which 10 support the proposed changes, as follows:

- Heybridge: seven responses, six in support, one not in support
- Little Braxted: no responses

- Maldon: one response not supporting, although referred more to the Present Government agenda and devolution
- North Fambridge: four responses all in support.

3.14 The Council is required to ensure that the Community Governance within the areas under review will be reflective of the identities and interests of the communities in those areas; and be effective and convenient.

4. CONCLUSION

4.1 It is concluded that following the consultations, and provided that the Council is satisfied that the Parish and Town Councils request are sound in the context of the law and associated Guidance on this subject as described in paragraph 3.13, it may agree to make the necessary Re-Organisation Orders, effective from May 2027, as follows:

- **Heybridge Parish Council**
Revision of the boundary with Great Totham to include the North Heybridge Garden Suburb wholly within the Parish of Heybridge.
- **Little Braxted Parish Council**
Increase in its membership from five to six.
- **Maldon Town Council**
Revision of the boundary to account for the impact of new development at Maldon West in terms of parish boundary with Woodham Mortimer / Hazeleigh.
- **North Fambridge Parish Council**
Increase in its membership from five to seven.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Supporting our communities

5.1.1 Enabling parish and Town councils to have ongoing effective governance and the correct electoral areas encompassing new developments wholly within the predominant Parish.

6. IMPLICATIONS

- Impact on Customers** – Indirect benefit on customers in the sense that electors of these Parish and Town councils are residents of the district and an increase in the size of a Parish or Town council may be of benefit to or enhance democratic representation.
- Impact on Equalities** – None.
- Impact on Risk (including Fraud implications)** – None.
- Impact on Resources (financial)** – None.
- Impact on Resources (human)** – None.

(vi) **Impact on Devolution / Local Government Reorganisation** – None.

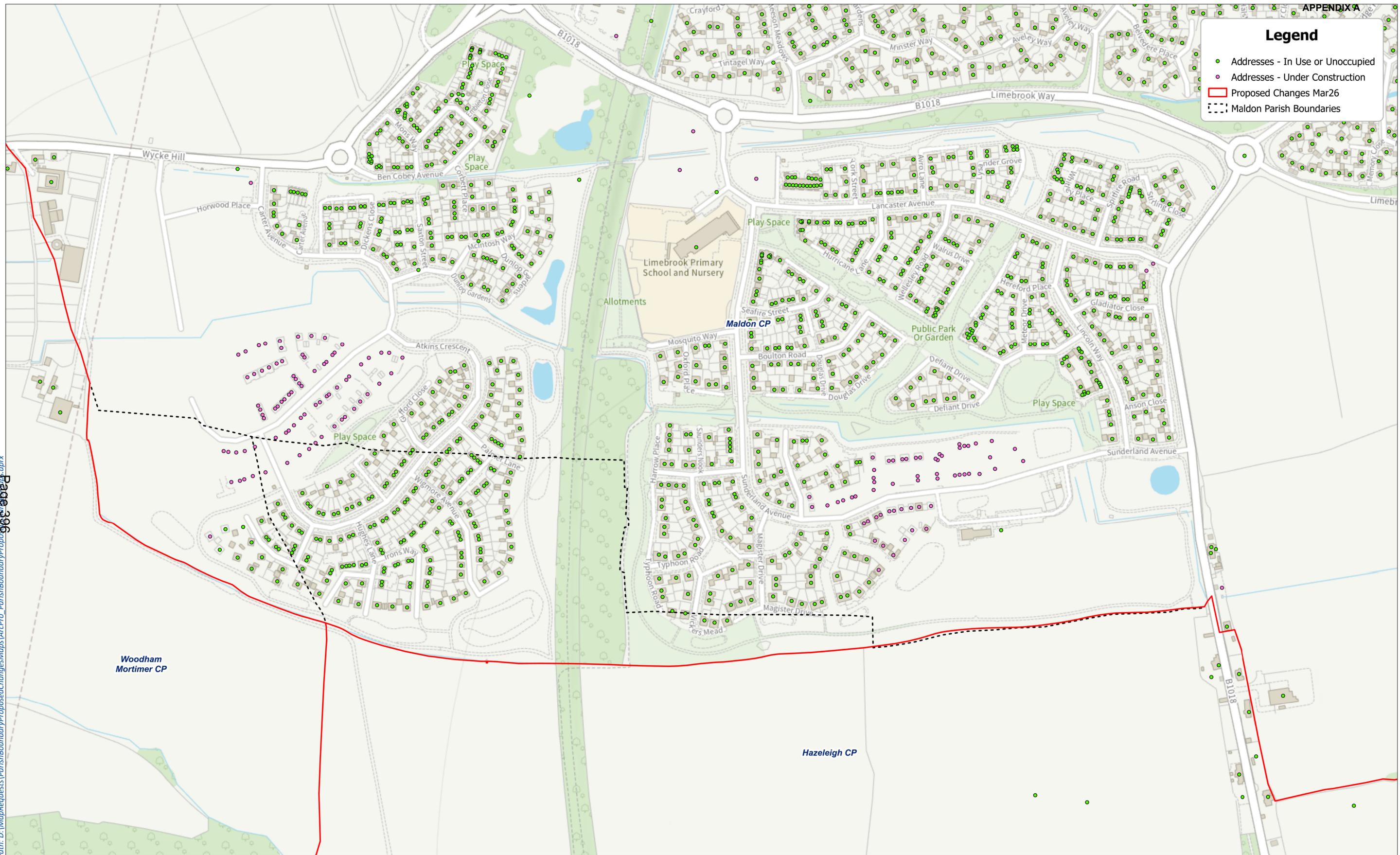
Background Papers: None

Enquiries to: Emma Holmes, Director of Legal and Governance

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Legend

- Addresses - In Use or Unoccupied
- Addresses - Under Construction
- ▭ Proposed Changes Mar26
- ⋯ Maldon Parish Boundaries



Path: D:\MapRequests\ParishBoundaryProposedChanges\Maps\ArcPro_ParishBoundaryProposedChanges.aprx Page 396



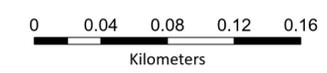
Maldon District Council Parish Boundary Review - Maldon CP /Woodham Mortimer CP /Hazeleigh CP

Original size: A2
Publication Date: 03 March 2026

Map Produced In ArcPro by: Paulm



Scale 1:3,000



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 2026 Ordnance Survey AC0000807688

Maldon District Council makes every effort to ensure GIS information in these maps is accurate to the data of publication.

**MALDON DISTRICT COUNCIL
COMMUNITY GOVERNANCE REVIEW 2025
HEYBRIDGE PARISH**

What is a Community Governance Review?

A Community Governance Review is a review of the whole or part of the District to consider one or more of the following:

- Creating, merging, altering or abolishing parishes;
- The naming of a parish and the style of a new parish (i.e. whether to call it a “village”, “community” or “neighbourhood” with the council similarly named as a “village council”, “community council” or “neighbourhood council”);
- The electoral arrangements for parishes (including council size, the number of councillors to be elected to the council, and parish warding), and
- Grouping parishes under a common parish council or de-grouping parishes.

The District Council is required to ensure that community governance within the area under review will be:

- reflective of the identities and interests of the community in that area; and
- is effective and convenient.

In doing so, the Community Governance Review is required to take into account:

- The impact of community governance arrangements on community cohesion; and
- The size, population and boundaries of a local community or parish.

The Government has emphasised that recommendations made in a Community Governance Review ought to bring about improved community engagement, more cohesive communities, better local democracy and result in more effective and convenient delivery of local services.

Why are we carrying out this Community Governance Review?

The Heybridge Parish Council has requested a review of its electoral arrangements to change the parish boundary between Heybridge and Great Totham to include the North Heybridge Garden Suburb wholly within the Parish of Heybridge. The areas affected are shown in Annex 1. The number of properties affected is 832.

What is the area the subject of this Review?

The parishes of Heybridge and Great Totham are located across the Heybridge East, Heybridge West and Great Totham Wards of Maldon District Council. They are also located within the Heybridge and Tollesbury Electoral Division of Essex County Council and form part of the Maldon Parliamentary Constituency.

What are we consulting on?

*We are consulting the public on the Parish Council’s request referred to above, which is - **To change the parish boundary between Heybridge and Great Totham to include the North Heybridge Garden Suburb wholly within the West Ward of the Parish of Heybridge.***

If approved, it is proposed that the change will come into effect on the date of the next scheduled Parish Council elections on 7 May 2027.

For the purposes of this review, we are also required by law to make recommendations on other related “electoral arrangements” in respect of Heybridge Parish Council, as follows:

- (a) **the year in which ordinary elections of parish councillors are to be held;**
- (b) **the division (or not) of the parish into wards for the purpose of electing parish councillors;**
- (c) **the number and boundaries of any such wards;**
- (d) **the number of parish councillors to be elected for any such ward;**
- (e) **the name of any such ward.**

In relation to (a) above, Maldon District Council proposes that no change be made to the year of ordinary elections, as they currently coincide with District Council elections and elections to other Parish Councils in the District.

In relation to (b) to (e) above, the Parish of Heybridge is already warded for electoral purposes. The District Council proposes that, irrespective of the outcome of this community governance review, no change be made to the existing warding arrangements..

We would therefore like to know what YOU think of the proposals to:

- (a) to change the parish boundary between Heybridge and Great Totham to include the North Heybridge Garden Suburb wholly within the West Ward of the Parish of Heybridge.
- and
- (b) to make no other changes to the electoral arrangements for Heybridge Parish including the existing warding arrangements.

Electorate Forecast

For the purpose of this review, account has been taken of the potential increase in electorate by 1500 arising from the number of properties and proposed to be added to the Parish of Heybridge which represents the current planned growth of Heybridge in this particular location.

How to let us know your views

Any representations on this matter above must be in writing and should be sent to:

Claire Hawken
Head of Elections and Democratic Services
Maldon District Council
Princes Road
Maldon
Essex CM9 5DL

by no later than 5pm on 23 December 2025

Alternatively, you may send your representations

by email to: elections@maldon.gov.uk

Please ensure that you state your name and address clearly on any representations submitted. Please note that any submissions received after 5pm on 23 December 2025, or any representations submitted anonymously, will not be taken into account.

Please also note that the consultation stages of a Community Governance Review are public consultations. In the interests of openness and transparency, the Council will make available for public inspection full copies of all representations it takes into account as part of this

review.

What happens next?

In arriving at its final recommendations, the District Council will take account of the views of local people and any other person or body who appears to have an interest in the Review by judging them against the criteria set out in the Local Government and Public Involvement in Health Act 2007 and associated government guidance.

The District Council will take steps to notify consultees of the outcome of the review by publishing all decisions taken, together with reasons, on the Council's website (and ask Heybridge Parish Council to publish the same on their website), through general press releases, and by placing key documents on public deposit at the District Council's offices and with the Parish Council.

If any change to the electoral arrangements for Heybridge Parish Council is approved, a Community Governance Reorganisation Order will be made to give effect to the change.

A timetable for the Community Governance Review

A Community Governance Review must, by law, be concluded within a 12-month period which in this instance runs from when the terms of reference of the Review have been published. The Review will be concluded when the District Council publishes its final recommendations. The timetable for this Community Governance Review is as follows

5 June 2025 – District Council agreed the principle of instigating a Review.

28 October 2025 - District Council published Terms of Reference and timetable.

Eight-week consultation period begins with local people and interested parties.

23 December 2025- Closing date for consultation period.

22 January 2026 – Performance Governance and Audit Committee to consider consultation submissions and publish final recommendations

Properties affected shown in blue

MALDON DISTRICT COUNCIL COMMUNITY GOVERNANCE REVIEW 2025 HEYBRIDGE PARISH

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- (c) to change the parish boundary between Heybridge and Great Totham to include the North Heybridge Garden Suburb wholly within the West Ward of the Parish of Heybridge.**
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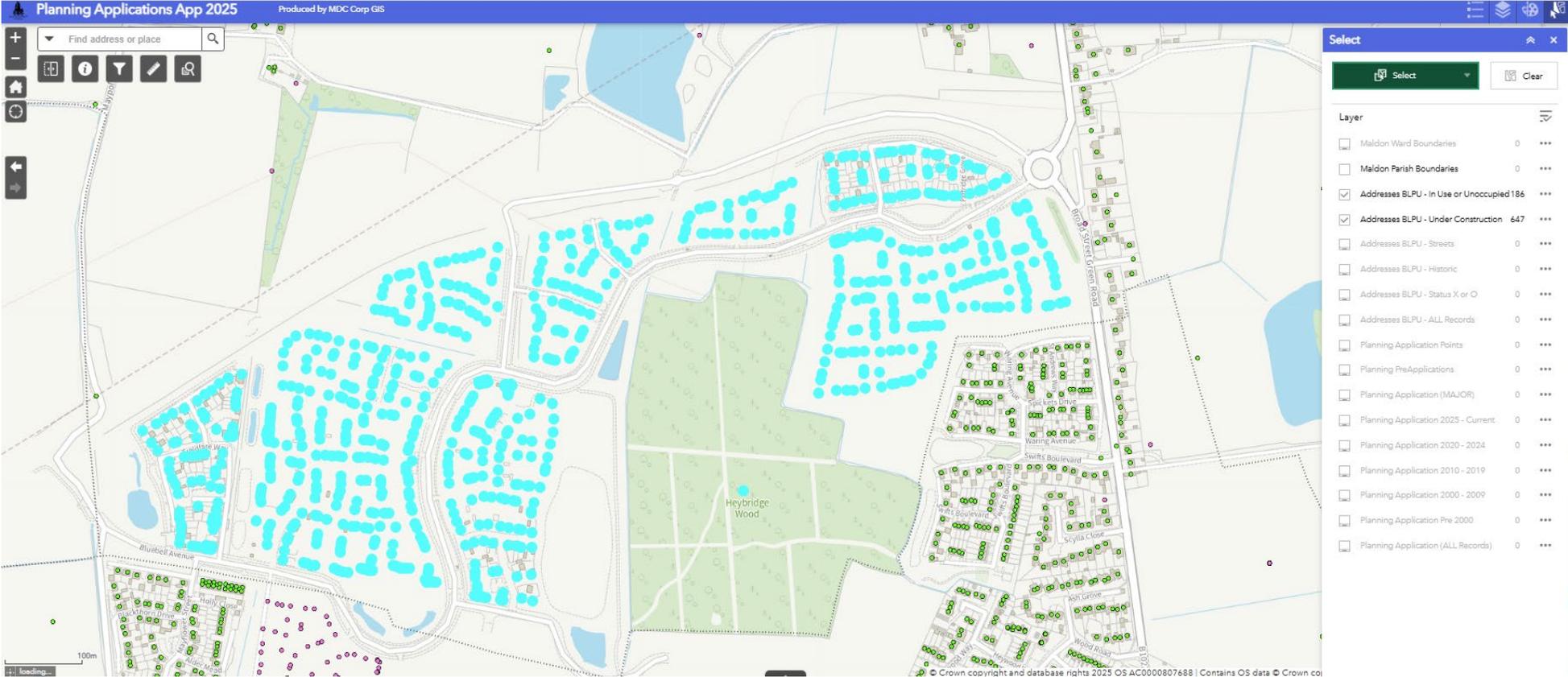
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23 December 2025- Closing date for consultation period.

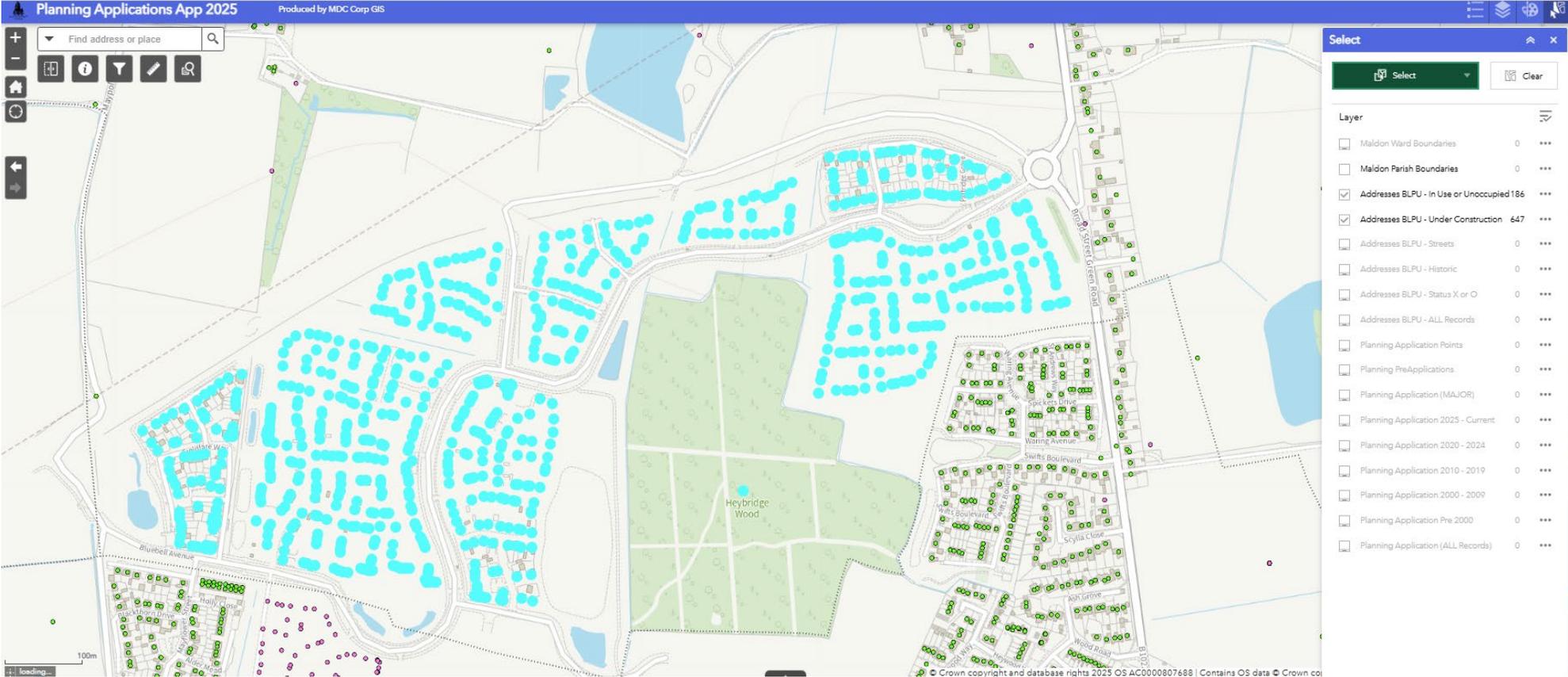
22 January 2026 – Performance Governance and Audit Committee to consider consultation submissions and publish final recommendations.

Properties affected shown in blue



Great Totham to Heybridge 832 properties

Properties affected shown in blue



Great Totham to Heybridge 832 properties

**MALDON DISTRICT COUNCIL
COMMUNITY GOVERNANCE REVIEW 2025
LITTLE BRAXTED PARISH**

What is a Community Governance Review?

A Community Governance Review is a review of the whole or part of the District to consider one or more of the following:

- Creating, merging, altering or abolishing parishes;
- The naming of a parish and the style of a new parish (i.e. whether to call it a “village”, “community” or “neighbourhood” with the council similarly named as a “village council”, “community council” or “neighbourhood council”);
- The electoral arrangements for parishes (including council size, the number of councillors to be elected to the council, and parish warding), and
- Grouping parishes under a common parish council or de-grouping parishes.

The District Council is required to ensure that community governance within the area under review will be:

- reflective of the identities and interests of the community in that area; and
- is effective and convenient.

In doing so, the Community Governance Review is required to take into account:

- The impact of community governance arrangements on community cohesion; and
- The size, population and boundaries of a local community or parish.

The Government has emphasised that recommendations made in a Community Governance Review ought to bring about improved community engagement, more cohesive communities, better local democracy and result in more effective and convenient delivery of local services.

Why are we carrying out this Community Governance Review?

The Little Braxted Parish Council has requested a review of its electoral arrangements so that it may increase the size of its membership, in other words the number of Parish Councillors. In its request to the District Council, the Parish Council stated that the current membership of five Parish Councillors is only two more than the legal quorum for meetings, and that on occasions this presents a difficulty. It feels that an additional Councillor will help guard against such potential difficulties and will not give rise to any additional cost.

What is the area the subject of this Review?

The parish of Little Braxted is located within the Wickham Bishops and Woodham Ward of Maldon District Council. It is also located within the Heybridge and Tollesbury Electoral Division of Essex County Council and forms part of the Witham Parliamentary Constituency.

What do parish councils do?

By way of information, a summary of the general powers and duties of parish councils is attached as **Annex 1**.

What are we consulting on?

*We are consulting the public on the Parish Council’s request referred to above, which is - **To increase the number of parish councillors on Little Braxted Parish Council from five to six.***

If approved, it is proposed that the change will come into effect on the date of the next scheduled Parish Council elections on 7 May 2027.

For the purposes of this review, we are also required by law to make recommendations on other related “electoral arrangements” in respect of Little Braxted Parish Council, as follows:

- (a) the year in which ordinary elections of parish councillors are to be held;**
- (b) the division (or not) of the parish into wards for the purpose of electing parish councillors;**
- (c) the number and boundaries of any such wards;**
- (d) the number of parish councillors to be elected for any such ward;**
- (e) the name of any such ward.**

In relation to (a) above, Maldon District Council proposes that no change be made to the year of ordinary elections, as they currently coincide with District Council elections and elections to other Parish Councils in the District.

In relation to (b) to (e) above, the introduction of ‘wards’ would mean that each Parish Councillor would be elected by voters living within a particular area (or ward) within the Parish, and they would represent those voters on the Parish Council. The District Council proposes that, irrespective of the outcome of this community governance review, Little Braxted Parish Council should continue to be unwarded, i.e. no change be made. The Parish Council has not made any proposal or request on this.

We would therefore like to know what YOU think of the proposals to:

- (a) increase the number of parish councillors on Little Braxted Parish Council from 5 to 6 and**
- (b) to make no other changes to the electoral arrangements in respect of Little Braxted Parish Council**

Electorate Forecast

For the purpose of this review, we are required to forecast the expected growth in the Parish of Little Braxted for the coming five years. There is no planned growth and minimal growth anticipated such as to be an issue for consideration in this review.

How to let us know your views

Any representations on this matter above must be in writing and should be sent to:

Claire Hawken
Head of Elections and Democratic Services
Maldon District Council
Princes Road
Maldon
Essex CM9 5DL

by no later than 5pm on 23 December 2025

Alternatively, you may send your representations

by email to: elections@maldon.gov.uk

Please ensure that you state your name and address clearly on any representations submitted. Please note that any submissions received after 5pm on 23 December 2025, or any representations submitted anonymously, will not be taken into account.

Please also note that the consultation stages of a Community Governance Review are public consultations. In the interests of openness and transparency, the Council will make available

for public inspection full copies of all representations it takes into account as part of this review.

What happens next?

In arriving at its final recommendations, the District Council will take account of the views of local people and any other person or body who appears to have an interest in the Review by judging them against the criteria set out in the Local Government and Public Involvement in Health Act 2007 and associated government guidance.

The District Council will take steps to notify consultees of the outcome of the review by publishing all decisions taken, together with reasons, on the Council's website (and ask Little Braxted Parish Council to publish the same on their website), through general press releases, and by placing key documents on public deposit at the District Council's offices and with the Parish Council.

If any change to the electoral arrangements for Little Braxted Parish Council is approved, a Community Governance Reorganisation Order will be made to give effect to the change.

A timetable for the Community Governance Review

A Community Governance Review must, by law, be concluded within a 12-month period which in this instance runs from when the terms of reference of the Review have been published. The Review will be concluded when the District Council publishes its final recommendations. The timetable for this Community Governance Review is as follows

5 June 2025 – District Council agreed the principle of instigating a Review.

28 October 2025 - District Council published Terms of Reference and timetable.

Eight-week consultation period begins with local people and interested parties.

23 December 2025- Closing date for consultation period.

22 January 2026 – Performance Governance and Audit Committee to consider consultation submissions and publish final recommendations

Powers and Duties of Parish Councils

The role played by parish councils varies considerably. Smaller parish councils have only limited resources and generally play only a minor role, while some larger parish councils have a role similar to that of a small district council. Parish councils receive funding by levying a "precept" on the council tax paid by the residents of the parish.

The list below is intended as a summary of the main functions of parish councils. It is not intended to be a definitive list of such functions. Where a function is marked with an asterisk a parish council also has the power to give financial assistance to another person or body performing the same function.

Allotments Powers to provide allotments. Duty to provide allotment gardens if demand unsatisfied

Bus Shelters and roadside seats Power to provide and maintain

Bye Laws Power to make byelaws for public walks and pleasure grounds

Clocks* Power to provide public clocks

Closed Churchyards Powers (and sometimes duty) to maintain

Commons Land and Common Pastures Powers in relation to inclosure as to regulation and management and as to providing common pasture

Community Centres and Village Halls

- Power to provide and equip premises for use of clubs having athletic, social or educational objectives
- Power to provide buildings for offices and for public meetings and assemblies

Conference facilities* Power to provide and encourage the use of facilities

Crime Prevention* Powers to spend money on various crime prevention measures including

Drainage Power to deal with ponds/ditches

Education Right to appoint governors of primary schools

Entertainment and the Arts* Provision of entertainment and support of the arts

Environment Power to act for the benefit of the community by tackling and promoting awareness of environmental issues

Flagpoles Power to erect flagpoles in highways

Highways

- Power to repair and maintain footpaths and bridleways
- Power to provide lighting of roads and public places
- Power to provide parking places for vehicles, bicycles and motorcycles
- Power to enter into an agreement as to dedication and widening
- Power to provide traffic signs and other notices
- Power to plant trees, etc., and to maintain roadside verges
- Power to prosecute for unlawful ploughing of a footpath or bridleway
- Power to contribute financially to traffic calming schemes

Investments Power to participate in schemes of collective investment

Land:

- Power to acquire land by agreement or compulsory purchase,
- Power to appropriate land

- Power to dispose of land
- Power to accept gifts of land
- Power to obtain particulars of persons interested in land

Litter bins Power to provide litter bins including receptacles for dog faeces

Lotteries Power to promote lotteries

Monuments and Memorials Power to agree to maintain monuments and memorials

Mortuaries and post-mortem rooms Powers to provide mortuaries and post-mortem rooms

Nature Reserves Power to designate statutory to the nature reserves and marine nature reserves - English Nature can designate sites of specific scientific interest

Nuisances Power to deal with offensive ditches, ponds and gutters

Open Spaces, Burial Grounds,

Cemeteries and crematoria* Power to acquire, maintain or contribute towards expenses

Parish Property and Records:

- Powers to direct as to their custody
- Power to collect, exhibit and purchase local records

Parks and pleasure grounds Power to hire pleasure boats in parks and pleasure grounds

Parochial charities

- Power to appoint trustees of parochial charities
- Duty to receive accounts of parochial charities

Planning Right to be notified of and power to respond to planning applications

Postal and telecommunications facilities

Power to pay the Post Office, British Telecommunications or any other public telecommunications operator any loss sustained in providing post or telegraph office or telecommunications facilities

Public Conveniences Power to provide public conveniences

Raising of Finances Power to raise money through the parish precept

Recreation*

- Power to acquire land for or to provide recreation grounds, public walks, pleasure grounds, and open spaces and to manage and control them.
- Power to provide gymnasiums, playing fields, holiday camps

Swimming pools, bathing places, baths and washhouses Power to provide **Tourism*** Power to contribute to the encouragement of tourism

Town Status Power to adopt town status

Transport* Power to (a) establish car sharing schemes (b) make grants for bus services, (c) provide taxi-fare concessions; (d) investigate public transport, road use and needs; (e) provide information about public transport services

Community Transport Schemes

Village greens Power to maintain, to make bylaws for and to prosecute for interference with village greens

Water Supply Power to utilise well, spring or stream and to provide facilities for obtaining water therefrom.

**MALDON DISTRICT COUNCIL
COMMUNITY GOVERNANCE REVIEW 2025
MALDON PARISH**

What is a Community Governance Review?

A Community Governance Review is a review of the whole or part of the District to consider one or more of the following:

- Creating, merging, altering or abolishing parishes;
- The naming of a parish and the style of a new parish (i.e. whether to call it a “village”, “community” or “neighbourhood” with the council similarly named as a “village council”, “community council” or “neighbourhood council”);
- The electoral arrangements for parishes (including council size, the number of councillors to be elected to the council, and parish warding), and
- Grouping parishes under a common parish council or de-grouping parishes.

The District Council is required to ensure that community governance within the area under review will be:

- reflective of the identities and interests of the community in that area; and
- is effective and convenient.

In doing so, the Community Governance Review is required to take into account:

- The impact of community governance arrangements on community cohesion; and
- The size, population and boundaries of a local community or parish.

The Government has emphasised that recommendations made in a Community Governance Review ought to bring about improved community engagement, more cohesive communities, better local democracy and result in more effective and convenient delivery of local services.

Why are we carrying out this Community Governance Review?

Maldon Town Council has requested a review of its electoral arrangements to change the parish boundary between Woodham Mortimer, Hazeleigh and Maldon to include the Wycke Place Development wholly within the Parish of Maldon. The areas affected are shown in Annex 1. The number of properties affected is 184.

What is the area the subject of this Review?

The parishes of Maldon, Woodman Mortimer and Hazeleigh are located across the Wickham Bishops and Woodham Mortimer and Maldon West Wards of Maldon District Council. They are also located within the Maldon Electoral Division of Essex County Council and form part of the Maldon Parliamentary Constituency.

What are we consulting on?

*We are consulting the public on the Parish Council’s request referred to above, which is - **To change the parish boundary between Maldon, Woodham Mortimer and Hazeleigh to include the Wycke Place development wholly within the West Ward of the Parish of Maldon.***

If approved, it is proposed that the change will come into effect on the date of the next scheduled Parish Council elections on 7 May 2027.

For the purposes of this review, we are also required by law to make recommendations on other related “electoral arrangements” in respect of the Maldon Parish and Maldon Town Council, as follows:

- (a) the year in which ordinary elections of parish councillors are to be held;**
- (b) the division (or not) of the parish into wards for the purpose of electing parish councillors;**
- (c) the number and boundaries of any such wards;**
- (d) the number of parish councillors to be elected for any such ward;**
- (e) the name of any such ward.**

In relation to (a) above, Maldon District Council proposes that no change be made to the year of ordinary elections, as they currently coincide with District Council elections and elections to other Parish Councils in the District.

In relation to (b) to (e) above, the Parish of Maldon is already warded for electoral purposes. The District Council proposes that, irrespective of the outcome of this community governance review, no change should be made to the existing warding arrangements.

We would therefore like to know what YOU think of the proposals to:

- (a) to change the parish boundary between Maldon and Woodham Mortimer and Hazeleigh to include the Wycke Place Development wholly within the West Ward of the Parish of Maldon
- and
- (b) to make no other changes to the electoral arrangements for Maldon Parish including the existing warding arrangements.

Electorate Forecast

For the purpose of this review, account has been taken of the potential increase in electorate arising from the number of properties proposed to be added to the Parish of Maldon which represents the current planned growth of Maldon in this particular location.

How to let us know your views

Any representations on this matter above must be in writing and should be sent to:

Claire Hawken
Head of Elections and Democratic Services
Maldon District Council
Princes Road
Maldon
Essex CM9 5DL

by no later than 5pm on 23 December 2025

Alternatively, you may send your representations

by email to: elections@maldon.gov.uk

Please ensure that you state your name and address clearly on any representations submitted. Please note that any submissions received after 5pm on 23 December 2025, or any representations submitted anonymously, will not be taken into account.

Please also note that the consultation stages of a Community Governance Review are public consultations. In the interests of openness and transparency, the Council will make available for public inspection full copies of all representations it takes into account as part of this review.

What happens next?

In arriving at its final recommendations, the District Council will take account of the views of local people and any other person or body who appears to have an interest in the Review by judging them against the criteria set out in the Local Government and Public Involvement in Health Act 2007 and associated government guidance.

The District Council will take steps to notify consultees of the outcome of the review by publishing all decisions taken, together with reasons, on the Council's website (and ask Heybridge Parish Council to publish the same on their website), through general press releases, and by placing key documents on public deposit at the District Council's offices and with the Parish Council.

If any change to the electoral arrangements for Heybridge Parish Council is approved, a Community Governance Reorganisation Order will be made to give effect to the change.

A timetable for the Community Governance Review

A Community Governance Review must, by law, be concluded within a 12-month period which in this instance runs from when the terms of reference of the Review have been published. The Review will be concluded when the District Council publishes its final recommendations. The timetable for this Community Governance Review is as follows

5 June 2025 – District Council agreed the principle of instigating a Review.

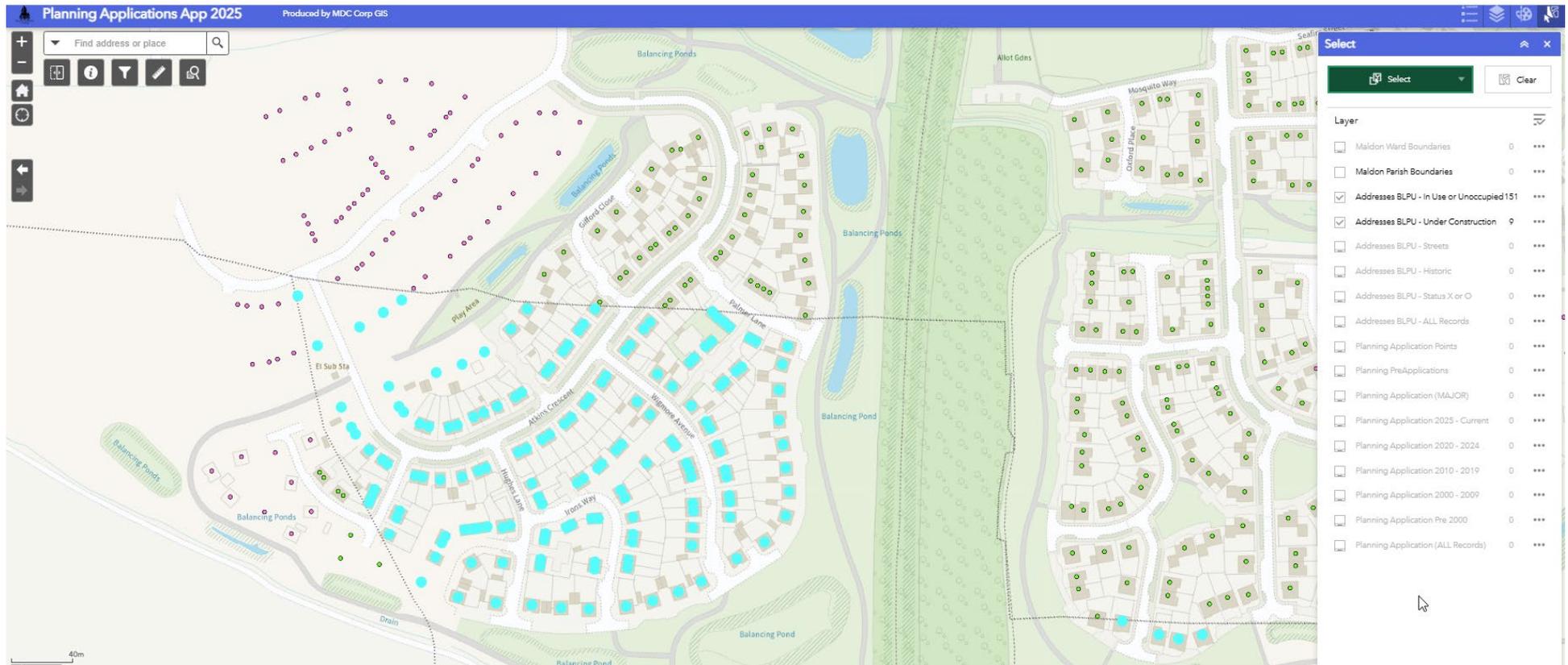
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Eight-week consultation period begins with local people and interested parties.

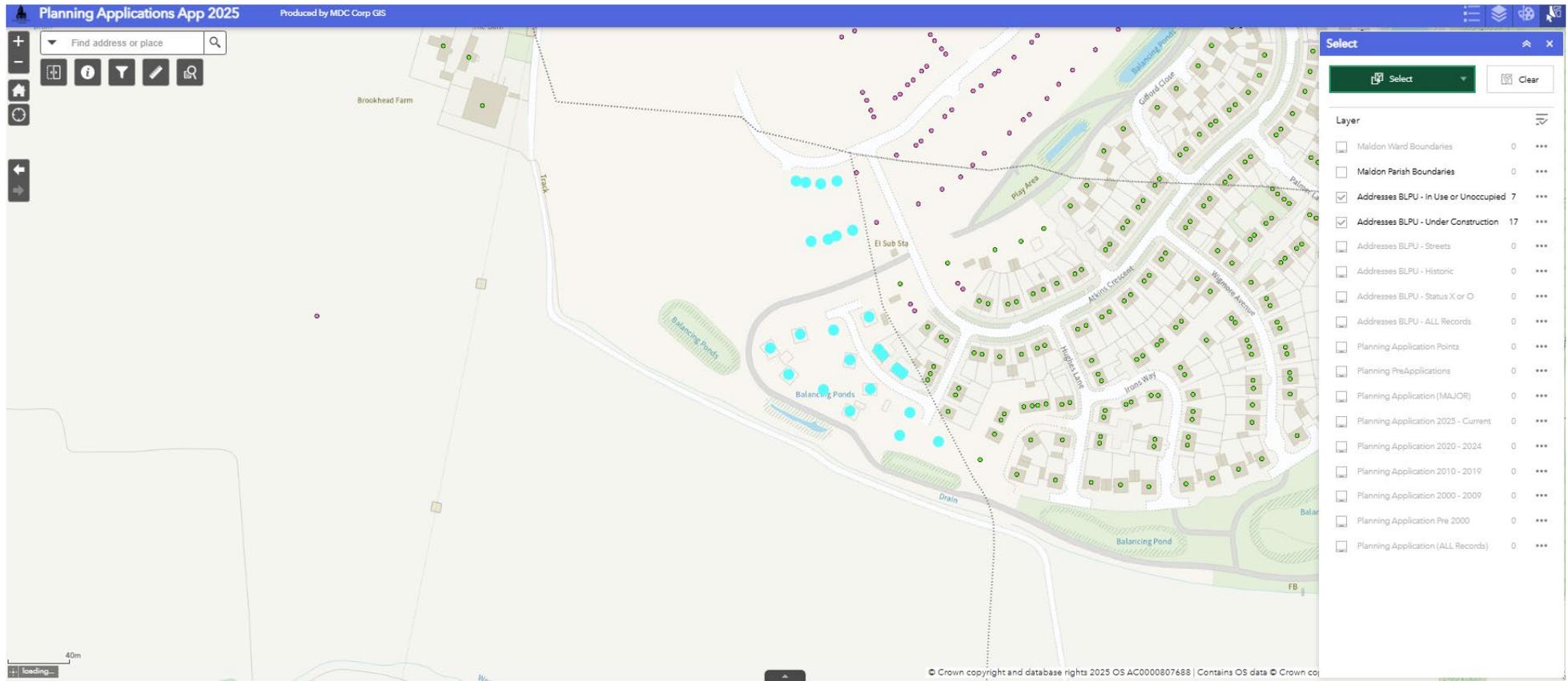
23 December 2025- Closing date for consultation period.

22 January 2026 – Performance Governance and Audit Committee to consider consultation submissions and publish final recommendations

Properties affected shown in blue



Hazeleigh to Maldon West:160 properties



Woodham Mortimer to Maldon West:24 properties

**MALDON DISTRICT COUNCIL
COMMUNITY GOVERNANCE REVIEW 2025
NORTH FAMBRIDGE PARISH**

What is a Community Governance Review?

A Community Governance Review is a review of the whole or part of the District to consider one or more of the following:

- Creating, merging, altering or abolishing parishes;
- The naming of a parish and the style of a new parish (i.e. whether to call it a “village”, “community” or “neighbourhood” with the council similarly named as a “village council”, “community council” or “neighbourhood council”);
- The electoral arrangements for parishes (including council size, the number of councillors to be elected to the council, and parish warding), and
- Grouping parishes under a common parish council or de-grouping parishes.

The District Council is required to ensure that community governance within the area under review will be:

- reflective of the identities and interests of the community in that area; and
- is effective and convenient.

In doing so, the Community Governance Review is required to take into account:

- The impact of community governance arrangements on community cohesion; and
- The size, population and boundaries of a local community or parish.

The Government has emphasised that recommendations made in a Community Governance Review ought to bring about improved community engagement, more cohesive communities, better local democracy and result in more effective and convenient delivery of local services.

Why are we carrying out this Community Governance Review?

The North Fambridge Parish Council has requested a review of its electoral arrangements so that it may increase the size of its membership, in other words the number of Parish Councillors. In its request to the District Council, the Parish Council stated the work associated with its existing responsibilities and its future plans and proposals should be shared among a greater number of Councillors. It also stated that the current membership of five Parish Councillors is only two more than the legal quorum for meetings, and that on occasions this presents a difficulty. It is confident that there is sufficient interest in the community to fill two additional seats on the Parish Council.

What is the area the subject of this Review?

The parish of North Fambridge is located within the Purleigh Ward of Maldon District Council. It is also located within the Maldon Electoral Division of Essex County Council and forms part of the Maldon Parliamentary Constituency.

What do parish councils do?

By way of information, a summary of the general powers and duties of parish councils is attached as Annex 1.

What are we consulting on?

We are consulting the public on the Parish Council's request referred to above, which is -
To increase the number of parish councillors on North Fambridge Parish Council from five to seven.

If approved, it is proposed that the change will come into effect on the date of the next scheduled Parish Council elections on 7 May 2027.

For the purposes of this review, we are also required by law to make recommendations on other related “electoral arrangements” in respect of North Fambridge Parish Council, as follows:

- (a) the year in which ordinary elections of parish councillors are to be held;**
- (b) the division (or not) of the parish into wards for the purpose of electing parish councillors;**
- (c) the number and boundaries of any such wards;**
- (d) the number of parish councillors to be elected for any such ward;**
- (e) the name of any such ward.**

In relation to (a) above, Maldon District Council proposes that no change be made to the year of ordinary elections, as they currently coincide with District Council elections and elections to other Parish Councils in the District.

In relation to (b) to (e) above, the introduction of ‘wards’ would mean that each Parish Councillor would be elected by voters living within a particular area (or ward) within the Parish, and they would represent those voters on the Parish Council. The District Council proposes that, irrespective of the outcome of this community governance review, North Fambridge Parish Council should continue to be unwarded, i.e. no change be made. The Parish Council has not made any proposal or request on this.

We would therefore like to know what YOU think of the proposals to:

- (a) increase the number of parish councillors on North Fambridge Parish Council from 5 to 7, and*
- (b) to make no other changes to the electoral arrangements in respect of North Fambridge Parish Council*

Electorate Forecast

For the purpose of this review, we are required to forecast the expected growth in the Parish of North Fambridge for the coming five years. There is no planned growth and minimal growth anticipated such as to be an issue for consideration in this review.

How to let us know your views

Any representations on this matter above must be in writing and should be sent to:

Claire Hawken
Head of Elections and Democratic Services
Maldon District Council
Princes Road
Maldon
Essex CM9 5DL

by no later than 5pm on 23 December 2025

Alternatively, you may send your representations

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Please ensure that you state your name and address clearly on any representations submitted. Please note that any submissions received after 5pm on 23 December 2025, or any representations submitted anonymously, will not be taken into account.

Please also note that the consultation stages of a Community Governance Review are public consultations. In the interests of openness and transparency, the Council will make available for public inspection full copies of all representations it takes into account as part of this review.

What happens next?

In arriving at its final recommendations, the District Council will take account of the views of local people and any other person or body who appears to have an interest in the Review by judging them against the criteria set out in the Local Government and Public Involvement in Health Act 2007 and associated government guidance.

The District Council will take steps to notify consultees of the outcome of the review by publishing all decisions taken, together with reasons, on the Council's website (and ask North Fambridge Parish Council to publish the same on their website), through general press releases, and by placing key documents on public deposit at the District Council's offices and with the Parish Council.

If any change to the electoral arrangements for North Fambridge Parish Council is approved, a Community Governance Reorganisation Order will be made to give effect to the change.

A timetable for the Community Governance Review

A Community Governance Review must, by law, be concluded within a 12-month period which in this instance runs from when the terms of reference of the Review have been published. The Review will be concluded when the District Council publishes its final recommendations. The timetable for this Community Governance Review is as follows:

5 June 2025 – District Council agreed the principle of instigating a Review.

28 October 2025 - District Council published Terms of Reference and timetable.

Eight-week consultation period begins with local people and interested parties.

23 December 2025- Closing date for consultation period.

22 January 2026 – Performance Governance and Audit Committee to consider consultation submissions and publish final recommendations.

Powers and Duties of Parish Councils

The role played by parish councils varies considerably. Smaller parish councils have only limited resources and generally play only a minor role, while some larger parish councils have a role similar to that of a small district council. Parish councils receive funding by levying a "precept" on the council tax paid by the residents of the parish.

The list below is intended as a summary of the main functions of parish councils. It is not intended to be a definitive list of such functions. Where a function is marked with an asterisk a parish council also has the power to give financial assistance to another person or body performing the same function.

Allotments Powers to provide allotments. Duty to provide allotment gardens if demand unsatisfied

Bus Shelters and roadside seats Power to provide and maintain

Bye Laws Power to make byelaws for public walks and pleasure grounds

Clocks* Power to provide public clocks

Closed Churchyards Powers (and sometimes duty) to maintain

Commons Land and Common Pastures Powers in relation to inclosure as to regulation and management and as to providing common pasture

Community Centres and Village Halls

- Power to provide and equip premises for use of clubs having athletic, social or educational objectives
- Power to provide buildings for offices and for public meetings and assemblies

Conference facilities* Power to provide and encourage the use of facilities

Crime Prevention* Powers to spend money on various crime prevention measures including

Drainage Power to deal with ponds/ditches

Education Right to appoint governors of primary schools

Entertainment and the Arts* Provision of entertainment and support of the arts

Environment Power to act for the benefit of the community by tackling and promoting awareness of environmental issues

Flagpoles Power to erect flagpoles in highways

Highways

- Power to repair and maintain footpaths and bridleways
- Power to provide lighting of roads and public places
- Power to provide parking places for vehicles, bicycles and motorcycles
- Power to enter into an agreement as to dedication and widening
- Power to provide traffic signs and other notices
- Power to plant trees, etc., and to maintain roadside verges
- Power to prosecute for unlawful ploughing of a footpath or bridleway
- Power to contribute financially to traffic calming schemes

Investments Power to participate in schemes of collective investment

Land

- Power to acquire land by agreement or compulsory purchase,
- Power to appropriate land
- Power to dispose of land

- Power to accept gifts of land
- Power to obtain particulars of persons interested in land

Litter bins Power to provide litter bins including receptacles for dog faeces

Lotteries Power to promote lotteries

Monuments and Memorials Power to agree to maintain monuments and memorials

Mortuaries and post-mortem rooms Powers to provide mortuaries and post-mortem rooms

Nature Reserves Power to designate statutory to the nature reserves and marine nature reserves - English Nature can designate sites of specific scientific interest

Nuisances Power to deal with offensive ditches, ponds and gutters

Open Spaces, Burial Grounds,

Cemeteries and crematoria* Power to acquire, maintain or contribute towards expenses

Parish Property and Records

- Powers to direct as to their custody
- Power to collect, exhibit and purchase local records

Parks and pleasure grounds Power to hire pleasure boats in parks and pleasure grounds

Parochial charities

- Power to appoint trustees of parochial charities
- Duty to receive accounts of parochial charities

Planning Right to be notified of and power to respond to planning applications

Postal and telecommunications facilities

Power to pay the Post Office, British Telecommunications or any other public telecommunications operator any loss sustained in providing post or telegraph office or telecommunications facilities

Public Conveniences Power to provide public conveniences

Raising of Finances Power to raise money through the parish precept

Recreation*

- Power to acquire land for or to provide recreation grounds, public walks, pleasure grounds, and open spaces and to manage and control them.
- Power to provide gymnasiums, playing fields, holiday camps

Swimming pools, bathing places, baths and washhouses Power to provide

Tourism* Power to contribute to the encouragement of tourism

Town Status Power to adopt town status

Transport* Power to (a) establish car sharing schemes (b) make grants for bus services, (c) provide taxi-fare concessions; (d) investigate public transport, road use and needs; (e) provide information about public transport services

Community Transport Schemes

Village greens Power to maintain, to make bylaws for and to prosecute for interference with village greens

Water Supply Power to utilise well, spring or stream and to provide facilities for obtaining water therefrom.

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REPORT of CHIEF EXECUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 MARCH 2026

UK SHARED AND RURAL ENGLAND PROSPERITY FUNDS

1. PURPOSE OF THE REPORT

- 1.1 To update Members on the progress of the UK Shared and Rural England Prosperity Funds (UKSPF) for the allocation period 2025 / 26.

2. RECOMMENDATION

That the Committee acknowledges the update provided on Maldon District Council's UK Shared and Rural England Prosperity fund allocations for 2025 / 26 and continues to monitor the delivery.

3. SUMMARY OF KEY ISSUES

- 3.1 In the Autumn Budget 2024, the Chancellor confirmed the continuation of UK Shared Prosperity Fund (UKSPF) for a further year, which will allow local authorities to invest in local growth, in advance of wider funding reforms.
- 3.2 A report was brought to the Strategy and Resources Committee on 23 January 2025, which granted delegated authority to the Corporate Leadership Team (now Senior Leadership Team (SLT)) to identify projects for delivery in consultation with the Leader of the Council and the Chairperson of the Strategy and Resources Committee, under UKSPF.
- 3.3 That report also recommended to the Council that 100% match funding of the UKSPF 2025 / 26 allocation be provided from the Council's Reserves. This recommendation was approved by the Council on 13 February 2025 (Minute No. 537 refers), meaning there is a total delivery fund of £654,292.
- 3.4 At the Council meeting on 3 April 2025, Members approved the proposed projects to be delivered detailed were presented in the report. At the same meeting, an [Addendum](#) paper was presented outlining Maldon District Council's allocation for Rural England Prosperity Fund (REPF) 2025 / 26 (£129,077). Members granted delegated authority to the Chief Executive, in consultation with the Leader of the Council, Chairperson of the Strategy and Resources Committee, and Ward Members, to identify projects for delivery via REPF funding.
- 3.5 As required by the Ministry of Housing, Communities and Local Government (MHCLG), the Council submitted its forecast spend, outputs and outcomes for 25 / 26. MHCLG confirmed the submission had been accepted.

- 3.6 Of the £783,369 available budget, from UKSPF (£327,146), REPF (£129,077) and the Council's match fund (£327,146), £613,836.15 of actual spend has been incurred. This represents 78% of funding spent. Updates on the individual project progress is contained within **APPENDIX 1**.
- 3.7 MHCLG issued notification to confirm UKSPF and REPF 2025/2026 delivery can now continue to 30 September 2026. This is an extension of the spend eligibility deadline, which was previously 31 March 2026. All the projects are still proposed to complete by the original deadline, however, where it is prudent to do so, for value for money, or further robustness of delivery can be obtained, the end dates will be amended. The Council will be expected to continue reporting up to 30 September regardless of whether all projects have completed.
- 3.8 Officers across the authority will continue delivery of the projects over the funding period, submitting the required MHCLG returns as required. Further progress updates shall be brought to the Performance, Governance and Audit Committee throughout the municipal year.

4. CONCLUSION

- 4.1 UKSPF and REPF continues to present a significant opportunity for the Maldon District to support, through direct investment, in our economy, businesses and communities.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 28

5.1 Supporting our communities

- 5.1.1 The UKSPF and REPF investment priority of Communities and Place directly supports this through the theme of:
- Healthy, Safe and Inclusive Communities.

5.2 Investing in our district

- 5.2.1 The UKSPF and REPF investment priority of Communities and Place directly supports this through the theme of:
- Thriving places.

5.3 Growing our economy

- 5.3.1 The UKSPF and REPF investment priority of Supporting Local Business directly supports this through the theme of:
- Supporting local business.

5.4 Protecting our environment

- 5.4.1 Projects delivered under UKSPF will aim to directly support the authority's Climate Action Strategy and Climate Action Plan.

6. IMPLICATIONS

- (i) **Impact on Customers** – Any project delivered will be designed to benefit residents / businesses and ensure there is significant customer benefit from its outputs.
- (ii) **Impact on Equalities** – Projects will be delivered in accordance with the Public Sector Equality Duty.
- (iii) **Impact on Risk (including Fraud implications)** – Delivery will be reported through the Council's Project Management Office monthly, which records and reports risk. A separate Fraud Risk Assessment, issued by MHCLG, is maintained. The Council faces increased reputation risk if it fails to deliver to the expectations of stakeholders.
- (iv) **Impact on Resources (financial)** – The authority has agreement to use 6% of its allocation to support the management and administration of the UKSPF programme. However, with the cost of doing business and supply chain pressures still being significant, it will be prudent to regularly assess projects to ensure viability and value for money. The Council has already committed to match 100% fund the UKSPF allocation and replenish REPF in 2026 / 27 from its own Reserves.
- (v) **Impact on Resources (human)** – The coordination work for UKSPF work will be undertaken by the Head of Economic Development. Project delivery will need to be well supported by resources drawn from the wider organisation. Project Managers have been identified and are required to report through the Project Management Office monthly.
- (vi) **Impact on Devolution / Local Government Reorganisation** – None, the funding is not affected by changes arising from Devolution and Local Government Reorganisation.

Background Papers:

APPENDIX 1 – UK Shared and Rural England Prosperity Funds 2025 / 26 Project Delivery

[UK Shared Prosperity Fund 2025-26: Technical note - GOV.UK](#)

[Rural England Prosperity Fund: prospectus updates for 2025 to 2026 - GOV.UK](#)

[UKSPF 2025-26 allocations - GOV.UK](#)

[Rural England Prosperity Fund: Allocations 2025 to 2026](#)

Enquiries to: Leanda Cable, Head of Economic Development.

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UK Shared and Rural England Prosperity Funds (UKSPF) 2025/26 Project Delivery

| Project | Budget | Spend to date | Funding Source | Estimated Completion Date | Project Update |
|--|------------|---------------|----------------|---------------------------|---|
| Ufest 2025 | £4,460.00 | £3,595.66 | UKSPF | Completed | Complete – as per 18 September report. |
| Saltmarsh Fest 2025 | £10,000.00 | £9,974.58 | UKSPF | Completed | Complete – as per 29 January report. |
| Increase tourism budget | £12,000.00 | £6,954.69 | UKSPF | 31 March 2026 | <p>12 Days of Christmas campaign, featuring prizes purchased from local businesses. This approach has increased our following, engagement and reach and strengthened relationships with local businesses. Further competitions and giveaways planned for remaining notable days in 2025/2027.</p> <p>Visit Maldon District 2026 guide commissioned with new supplier.</p> |
| Culture and Heritage Strategy | £25,000.00 | £25,000.00 | UKSPF | 11 June 2026 | An extension requested to enable further comprehensive resident and stakeholder engagement. This will support the evidence base and action plan development, as well as national programme opportunities. |
| North Essex Economic Board Business Support | £26,675.00 | £26,675.00 | UKSPF | 31 March 2026 | <p>Contract delivery as per commission.</p> <p>Officers have requested additional information on how the remaining KPIs are going to be achieved. The supplier is conducting additional work to further engage businesses in the district.</p> |
| One Maldon District Partnership - Thriving Places Grant scheme | £60,000.00 | £17,189.00 | UKSPF | 30 September 2026 | Four projects approved by the One Maldon District Partnership Thriving Places Grant panel and are in delivery. These are: Dementia Friendly and Suicide Prevention coordination support, Youth Sector Strengthening and a Winter Support Plan. |

UK Shared and Rural England Prosperity Funds (UKSPF) 2025/26 Project Delivery

| Project | Budget | Spend to date | Funding Source | Estimated Completion Date | Project Update |
|--|-------------|---------------|--|---------------------------------|---|
| | | | | | A further three projects under consideration. |
| VE Day Event | £2,540.00 | £2,540.36 | UKSPF | Completed | Complete – as per 18 September report. |
| 99 Wood Road Community Supermarket Location | £20,000.00 | £20,000.00 | UKSPF | Completed | Complete – as per 29 January report. |
| Management and Administration | £16,004.00 | £13,263.40 | UKSPF | 30 September 2026 | Part of the funding is being used to increase the Tourism and Marketing Officer's hours to full time. This allows them to support a number of projects being delivered. The remainder will be used to implement the required branding for both UKSPF and REPF. |
| Community Grants Scheme – Where Quality of Life Matters | £295,883.00 | £242,576.81 | MDC | On-going until budget allocated | 35 applications have been approved and pending signed grant agreements. 16 applicants are receiving additional support to strengthen their submissions where the project has potential for funding. |
| Community Grant Officer Post | £51,730.00 | £28,800.00 | UKSPF 25/26 Maldon District Council 26/27 | 31 March 2026 | Officer completing role as expected. |
| Continued development of 'Secret Garden' at Promenade Park | £198,000.00 | £176,569.65 | UKSPF REPF | December 2025 | Complete – as per 29 January report. |

UK Shared and Rural England Prosperity Funds (UKSPF) 2025/26 Project Delivery

| Project | Budget | Spend to date | Funding Source | Estimated Completion Date | Project Update |
|---|--------------------|--------------------|----------------------------------|---------------------------|--|
| Delivery of cultural event activities within the district | £25,000.00 | £22,659.00 | UKSPF Maldon District Council | 30 September 2026 | Further cultural activities took place in the late summer period including, live music from local artists, and a Christmas Fair which was highly successful. Maldon and District CVS commissioned to manage future community and voluntary opportunities at the Amphitheatre throughout the year. |
| Concession infrastructure Riverside Park | £18,038.00 | £18,038.00 | REPF | Completed | Groundworks completed and expression of interest for operator planned. |
| Her Space Burnham on Crouch | £18,039.00 | £0.00 | REPF | 30 September 2026 | Interim report received, and officers are considering the recommendations. Engagement with Ward Members undertaken and will continue. Site visit conducted to ascertain the scope of works. |
| | £783,369.00 | £613,836.15 | | | |

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| | |
|--|----------|
| UK Shared Prosperity Fund (UKSPF) Allocation | £327,146 |
| Rural England Prosperity Fund (REPF) | £129,077 |
| Maldon District Council (MDC) Match Funding | £327,146 |

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**REPORT of
DIRECTOR OF NEIGHBOURHOOD SERVICES AND COMMUNITIES**

**to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
12 MARCH 2026**

LEISURE CONTRACT UPDATE

1. PURPOSE OF THE REPORT

- 1.1 To provide Members with an update on the performance and delivery of the Leisure Management Contract, which commenced in March 2025.

2. RECOMMENDATIONS

- (i) That Members note the progress of the Leisure Management Contract, including the on schedule- refurbishment programme, stable membership performance, and the positive development of the social outreach programme;
- (ii) That Members note that financial performance is being delivered as set out in the contract. This includes the fixed management fee which is monitored quarterly via the Leisure Contract Partnership Board.

3. SUMMARY OF KEY ISSUES

- 3.1 The Leisure Management Contract commenced in March 2025. The contract includes an investment of £5.8m across the Council's leisure estate, the operation of the Council's leisure centres, delivery of health and wellbeing programmes, and a strengthened social outreach to support active lifestyles within priority communities.
- 3.2 Refurbishment works across the leisure facilities, continue to progress on time and within budget. Key milestones achieved to date include:
- completion of the expansion of the fitness suite to provide 33% larger exercise space, and the installation of the climbing walls and adventure space at the Blackwater Leisure Centre.
 - procurement and installation of new fitness equipment at the Blackwater Leisure Centre.
- 3.3 The contractor and Maldon District Council officers continue to hold weekly operational meetings and have monthly project meetings with the wider design team updates. No risks have been reported that are expected to impact delivery schedules. Performance and financial information is cascaded up to the Senior Leadership Team (SLT) on a monthly basis and the Leisure Contract Partnership Board consisting of Members, officers and Places Leisure management team continues to meet on a quarterly basis.
- 3.4 Membership numbers across the leisure centres are performing in line with contract forecast. The operator has outlined further marketing initiatives planned for the spring

period aimed at increasing community awareness and driving additional membership growth.

- 3.5 A key enhancement within the contract is the introduction of a strengthened social outreach programme designed to support health improvement and active lifestyles among underrepresented groups in the community. This element of the contract has a designated resource and has gained significant momentum, with targeted community-based activities being delivered across priority neighbourhoods. The role works in partnership with the Council's resources and Active Essex to identify venues and opportunities throughout the year. Early feedback from participants and partners is positive, and the operator is developing further outreach initiatives for the year ahead.
- 3.6 There are no financial issues to report at this stage. The contract is delivering a fixed management fee to the Council which has the added security of a parent company guarantee. This has been incorporated within the Council's Medium-Term Financial Strategy (MTFS). This arrangement minimises the Council's exposure to financial risk and allows for better financial forecasting with the MTFS. The refurbishment programme remains within the approved budget, and contract performance is in accordance with expected financial projections with year one providing for an income to the Council of £233k. The finance model for the contract is shown at **APPENDIX 1**.

4. CONCLUSION

- 4.1 Governance arrangements for the leisure contract continue to operate effectively. Regular contract management meetings are being held in accordance with the agreed framework, ensuring ongoing monitoring of performance, financial compliance, and progress against the refurbishment programme. In addition, the Leisure Contract Partnership Board, comprising representatives from Places Leisure management team, elected Members, and senior council officers, meets on a quarterly basis and provides a strategic forum for collaborative oversight and transparent reporting. This structure ensures strong accountability, supports early identification of any emerging issues, and reinforces the shared commitment across all parties to delivering high-quality leisure services for residents of the district.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Supporting our communities

- 5.1.1 The leisure contract is already helping to strengthen local communities by maintaining access to high quality, affordable leisure opportunities throughout the refurbishment period. Despite some temporary building disruption, the contractor has ensured continuity of provision and has actively engaged with its members to understand their needs and minimise inconvenience. The investment in modernised, more accessible facilities will support long-term improvements in health, wellbeing, and social inclusion, helping residents of all ages to lead active lifestyles.

5.2 Investing in our District

- 5.2.1 The refurbishment programme and on-going maintenance and periodical re-investment throughout the contracts term represents a significant investment in the district's public infrastructure, enhancing the quality and lifespan of key community assets. Once complete, the upgraded centres will provide modern, energy

efficient-efficient environments that reflect the Council's commitment to investing and improving the amenities available to residents.

5.3 **Growing our economy**

- 5.3.1 The leisure contract contributes to local economic growth by supporting employment, generating footfall, and creating opportunities for local suppliers and service providers. Refurbished, high quality-quality leisure facilities help attract visitors and encourage greater participation, which in turn supports the wider local economy.

5.4 **Protecting our environment**

- 5.4.1 Environmental considerations are embedded within the refurbishment works, with a focus on improving energy efficiency, reducing carbon emissions, and modernising building systems. The contractor is working to ensure that the upgraded facilities operate more sustainably, supporting the council's environmental objectives.

5.5 **Delivering good quality services**

- 5.5.1 The contract is performing well in its first year, with no concerns or risks identified, demonstrating strong governance via the Leisure Contract Partnership Board. Despite the refurbishment works, the contractor has maintained service standards and communicate clearly with customers. The modernised facilities, once complete, will further enhance the quality, reliability, and value of leisure services available to residents, aligning with the council's ambition to deliver consistently high quality-quality public services.

6. **IMPLICATIONS**

- (i) **Impact on Customers** – The refurbishment programme has inevitably resulted in some short-term disruption for customers, including temporary changes to facility access, adjusted timetables. These impacts have been proactively managed through clear communication, advance notice of changes, and the provision of alternative options wherever possible. Customer feedback continues to be monitored- closely by Places Leisure, and early indications suggest that users understand the long-term benefits of the investment and remain broadly supportive of the improvements underway.
- (ii) **Impact on Equalities** – Working collaboratively Places Leisure and Council officers have maintained a strong focus on equality considerations throughout the first year of delivery. Temporary arrangements introduced during refurbishment have been assessed to ensure they remain accessible and inclusive, with reasonable adjustments implemented where required. No adverse impacts on protected groups have been identified at this time, and the refurbishment works themselves will enhance accessibility options for exercise and activity.
- (iii) **Impact on Risk (including Fraud implications)** –There are currently no identified risks or concerns relating to contract performance, compliance, or fraud. The contractor continues to operate within the agreed governance framework, with regular reporting and management meetings in place to ensure transparency and accountability. Risks are reviewed routinely, and any emerging issues linked to the refurbishment programme are being managed effectively.

- (iv) **Impact on Resources (financial)** – The contract is performing within the expected financial parameters for Year 1 and represents a significant income to the Council over the 20-year contract term (c£500k per annum average). The refurbishment works are progressing in line with the approved budget, and no financial pressures or variances have been identified at this stage. Ongoing monitoring will continue to ensure that both operational costs and capital investment remain aligned with contractual commitments and support the Council's MTFS.
- (v) **Impact on Resources (human)** – There are no significant human resource implications for the Council arising from the contract currently. Places Leisure has maintained appropriate staffing levels to support service continuity during refurbishment. Places Leisure currently employ 66% staff that reside within the district (c120-150 staff dependent on season). The addition of a designated community staff member as part of the contract is proving successful in the initial months of the contract. Council officer time continues to be required for contract monitoring, but this remains within anticipated.
- (vi) **Impact on Devolution / Local Government Reorganisation** - There are no direct implications for local government reorganisation arising from the operation of the leisure contract in Year 1. The contract remains fully aligned with current governance structures.

Background Papers:

None.

Enquiries to: Steve Butcher, Commercial Manager.

Leisure Contract Finance Model

| | Year1 | Year2 | Year3 | Year4 | Year5 | Year6 | Year7 | Year8 | Year9 | Year10 | Year 11-20 | Total |
|---|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| | 2025/2026 | 2026/2027 | 2027/2028 | 2028/2029 | 2029/2030 | 2030/2031 | 2031/2032 | 2032/2033 | 2033/2034 | 2034/2035 | 2035-2045 | |
| CAPITAL | | | | | | | | | | | | |
| Expenditure (loan payable from MDC to PL) | 3,600,000 | 2,200,000 | | | | | | | | | | 5,800,000 |
| Income (loan repayment from PL to MDC) | -462,714 | -462,714 | -462,714 | -462,714 | -462,714 | -462,714 | -462,714 | -462,714 | -462,714 | -462,714 | -4,627,140 | -9,254,280 |
| REVENUE | | | | | | | | | | | | |
| Fixed management fee | 229,719 | -183,543 | -514,549 | -614,691 | -733,096 | -672,536 | -694,742 | -596,734 | -690,528 | -796,410 | -4,758,680 | -10,025,790 |
| Total payable to MDC (loan repayment & management fee) | -232,995 | -646,257 | -977,263 | -1,077,405 | -1,195,810 | -1,135,250 | -1,157,456 | -1,059,448 | -1,153,242 | -1,259,124 | -9,385,820 | -19,280,070 |

Key:

MDC..... Maldon District Council

PL Place Leisure

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REPORT of DIRECTOR OF FINANCE

to
PERFORMANCE GOVERNANCE AND AUDIT COMMITTEE
12 MARCH 2026

REVIEW OF FINANCIAL REGULATIONS

1. PURPOSE OF THE REPORT

- 1.1 The Financial Regulations of the Council were last updated in October 2025 following approval of the Council's new senior management structure.
- 1.2 It is good practice to review Financial Regulations on a regular basis. This review is conducted ahead of the start of the new financial year as part of the preparation for the implementation of the 2026/27 budget.

2. RECOMMENDATIONS

To the Council:

- (i) That the Council considers and approves the recommended changes set out in **APPENDIX 1**;
- (ii) That subject to (i) above, the Financial Regulations are revised and published on the Council's website.

3. SUMMARY OF KEY ISSUES

- 3.1 The Council's Financial Regulations were prepared in their current format in 2018. A number of subsequent changes have been made, principally to ensure that the titles of the responsible officers are maintained up to date.
- 3.2 The current review and recommended changes reflect both the 'phase 1' and 'phase 2' organisational structure changes as well as providing clarity on a number of key points.
- 3.3 A lack of clarity has arisen in some areas as a result of changes in postholders of the Section 151 / Chief Finance Officer (CFO) position. As different CFOs have approached financial management challenges encountered during their tenure in different ways, the organisation has heard a number of different approaches being set out. This review and revision of the Financial Regulations aims to remove some areas of confusion without changing the fundamental internal controls operated within the council by its staff.
- 3.4 The full list of proposed changes is attached to this report (**APPENDIX 1**). A number of the changes are minor and intended to improve the efficacy of the regulations. More significant changes are set out in items 8 and 13. These are:

3.5 **Item 8 – clarification of budget management order of priority.** These are set out as:

3.5.1 Actions to be taken by Directors are expected to follow the following escalation route in managing budget pressures:

- within a cost centre
- between across cost centres
- between services
- escalation to Senior Leadership Team (SLT)
- escalation to Director of Finance

3.5.2 This escalation process is to enable flexible management of budgets and agility in responding to unanticipated budget pressures. It allows directors to work within delegated budget totals. Where spending is expected to exceed budget delegations, this will be reported in the next monthly report to chief officers, facilitated by the Director of Finance and the finance team. It is expected to reduce the number of 'supplementary estimates' requested by officers without relaxing wider internal controls on spending.

3.6 **Item 12 – use of 'best estimates'**

3.6.1 The basis for preparing estimates for use in financial management is often confusing. There may be pressure to reflect wider risks (i.e. risk averse, pessimistic, or 'prudent' forecasting), alternatively to succumb to managerial or political pressure to be 'optimistic'. Neither is correct. Formal guidance indicates that all estimates should be prepared on the basis of a 'best estimate'. This can also be misleading, as it appears to favour 'optimism bias'. The correct interpretation is the 'most accurate' estimate – the estimate "from which least variation is expected". The recommended change set out as item 13 in **APPENDIX 1** aims to remove this ambiguity – all forecasts are to be prepared on the basis of identifying the value from which least change is expected.

3.7 **Item 16 – tolerance in capital schemes**

3.7.1 At present, the regulations allow for a variation of 'the greater of 5% or £10,000' in capital schemes on the basis that some capital schemes will always incur minor overspends. Given the impact of inflation in the supply chain for capital works, it is recommended to revise this to 'the greater of 10% or £10,000'. This allows a more reasonable level of tolerance for unanticipated cost pressures in capital schemes, without removing the requirement to work to an agreed budget.

4. **CONCLUSION**

4.1 The recommended changes to the Financial Regulations will support increased efficiency and agility in the Council in delivery against agreed priorities without compromising on the effectiveness of financial controls.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

5.1 Supporting our communities

5.1.1 The Financial Regulations provide a clear statement of expected good practice in financial management within the council. This supports delivery of agreed corporate objectives.

5.2 Investing in our District

5.2.1 As at 5.1.1.

5.3 Growing our economy

5.3.1 As at 5.1.1.

5.4 Protecting our environment

5.4.1 As at 5.1.1.

5.5 Delivering good quality services

5.5.1 As at 5.1.1.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk (including Fraud implications)** – None directly.
- (iv) **Impact on Resources (financial)** – None directly.
- (v) **Impact on Resources (human)** – Provides greater flexibility to work within the defined parameters of the approved budgets of the Council.
- (vi) **Impact on Devolution / Local Government Reorganisation** – Ensures that budget managers are experienced in good practice in financial management ahead of reorganisation.

Background Papers:

Current Financial Regulations: [Financial Regulations](#)

Enquiries to: Ben Jay, Director of Finance.

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Proposed changes to the Maldon District Council Financial Regulations and Financial Procedures

| Item | Reference | Change | Text |
|---------------------------------|--|--------|--|
| 2. Financial Regulations | | | |
| a) Financial Management | | | |
| 1 | 3 The Committees | Add | Strategy and Resources Committee to ensure maintenance of the Medium-Term Financial Strategy (MTFS) with periodic updates during the year. |
| 2 | 3 The Committees 3.2 | Add | Performance, Governance and Audit Committee to seek assurance from Director of Finance, Internal and External Auditors regarding the accuracy of the financial statements. |
| 3 | 4 The Statutory Officers 4.3.2 (a) | Add | “and the maintenance of appropriate financial records” |
| 4 | Directors 5.1 | Add | <p>Directors are responsible for ensuring that service managers and heads of service appropriately plan and manage their budgets within approved limits (set within the February budget decisions of Council).</p> <p>That the Directors work with their service managers and heads of service to balance spending pressures across their directorate portfolios.</p> <p>That Directors are required to pro-actively advise the Director of Finance of any significant financial plans in their areas of responsibility at the earliest opportunity.</p> |
| 5 | 6 Other Financial Accountabilities 6.5 | Add | Accounts are to be prepared in line with published statutory deadlines and/or backstop dates. |
| b) Financial Planning | | | |
| 6 | 2 Policy framework 2.1 | Add | The policy framework of the Council includes the Corporate Plan, the Asset Management Plan (AMP) and the Human Resources Strategy. |
| 7 | 3.2 Budget Preparation 3.2.1 | Amend | <p>“The Director of Finance is responsible for ensuring that a revenue budget is prepared on an annual basis and a MTFS at least on a three-yearly basis...” amended to read</p> <p>“The Director of Finance is responsible for ensuring that a revenue budget and MTFS is prepared on an annual basis... “</p> |

| Item | Reference | Change | Text |
|--|--|--------|--|
| 8 | 3.3 Budget Monitoring and Control 3.3.2 | Add | <p>Actions to be taken by Directors are expected to follow the following escalation route in managing budget pressures:</p> <ol style="list-style-type: none"> 1) within a cost centre 2) between across cost centres 3) between services 4) escalation to Senior Leadership Team (SLT) 5) escalation to Director of Finance |
| 9 | 4 Maintenance of Reserves 4.1 | Add | <p>Earmarked reserves and the prudent minimum level of general reserves should have clearly identified commitments or estimated use to justify them.</p> <p>Reserves greater than the prudent minimum level of reserves which are not so committed can be applied to operational objectives.</p> <p>Where uncommitted reserves exceed the Core Spending Power for the year, they may be regarded as 'excess' and possible application of them should be considered by the Strategy and Resources Committee.</p> <p>Forecast levels of reserves must be reported quarterly to the Strategy and Resources Committee.</p> |
| c) Risk Management and Control of Resources | | | |
| 10 | 3. Internal Control 3.3 | Add | <p>The Internal Audit function exists to provide Officers and Members assurance regarding the adequacy of the risk management environment of the Council and the effectiveness of the controls and policies implemented in different service areas.</p> |
| d) Systems and Procedures | | | |
| 11 | 3. Income and Expenditure 3.1 | Add | <p>Delegation originates from Council decision making. The approval of budget proposals in February delegates responsibility for delivery of services in line with the corporate plan and local service plans to Directors, within the constraints of the approved net budget limits. It is expected that Directors delegate routine budget decisions to service managers and heads of service.</p> |

| Item | Reference | Change | Text |
|--|--|--------|---|
| Appendix B – Financial Planning | | | |
| B.2. Budgeting | | | |
| 12 | B.2.5 Key Controls 2.5.1 | Add | The monthly forecast of budget performance to the end of the year (for Officers) and the publication of quarterly reports of expected budget performance to year end (for Members) is based upon estimates of expected income and expenditure. All such estimates are to be based upon latest information and are to reflect a ‘best estimate’. The ‘best estimate’ is defined as being the ‘most likely’ outcome. A ‘best’ estimate is therefore not a preferred, feared, best-case or worst-case estimate, but the estimate ‘from which the least change is expected’. This is consistent with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code definitions, which recommend use of ‘best estimates’ in preparing accounts where actual values are not available. |
| 13 | B.2.6 Responsibilities of the Director of Finance 2.6.1 (a) | add | ...using best estimates (as described above). |
| B.3. Maintenance of Reserves | | | |
| 14 | B.3.2 Key Controls 3.2.2 | add | To report quarterly to the Strategy and Resources Committee the likely level of uncommitted reserves (general and earmarked) expected to be held at the end of the financial year. |
| Appendix C – Risk Management and Control of Resources | | | |
| C.5. Assets | | | |
| 15 | 5.2 Key Controls 5.2.1 (d) | Add | “an asset register <i>and an asset management plan...</i> ” |
| Appendix F – Financial Limits | | | |
| F.1. General | | | |
| 16 | F.1.7 Excess capital expenditure | Amend | “5% or £10,000 whichever is the greater” to be replaced with “10% or £10,000 whichever is the greater” |

| Item | Reference | Change | Text |
|--|-----------|--------|---|
| Appendix H – Authorisation Arrangements | | | |
| 17 | | Add | <p>Authorisation arrangements are as follows:</p> <ol style="list-style-type: none"> 1. Delegation originates from Council decision making. The approval of budget proposals in February delegates responsibility for delivery of services in line with the Corporate Plan and local service plans to Directors, within the constraints of the approved net budget limits. 2. Officers are not required to seek subsequent authorisation from Members where the budget delegation has already been made. 3. It is expected that Directors delegate routine budget decisions to service managers and heads of service. 4. Authorisation for expenditure approved within the budget is then progressed based on the following table... 5. Where the Council has not yet approved expenditure, then the virements and supplementary estimate procedures will apply. |