



**REPORT of  
CHIEF FINANCE OFFICER**

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**to  
STRATEGY AND RESOURCES COMMITTEE  
2 OCTOBER 2025**

**BUDGET MONITORING – QUARTER 1**

**1. PURPOSE OF THE REPORT**

- 1.1 To provide Members of the Committee with an updated financial position for the Council the period ended 30 June 2025 (Period 3 / Quarter 1). It should be noted that Quarter 1 (Q1) is still early in the year and may be subject to changes in the coming months.
- 1.2 This matter is brought forward for consideration with the agreement of the Chairperson of this Committee so that the Council has clarity on the available funding for 2025 / 26 to be able to carry out its operations in a timely manner.

**2. RECOMMENDATIONS**

- (i) That Members note the forecast revenue outturn, as at 30 June 2025, is £43,000 under budget (0.4%), further information can be found at **APPENDIX 1** along with reasons for significant variances;
- (ii) that Members note that additional grant funding has been received above the total estimated when the budget was approved in February 2025 (chiefly comprising £385,000 additional funding for the impact of small business rate reliefs and the impact of revaluation of business premises);
- (iii) that Members agree for the additional grant income received to be transferred to the Council Tax and Business Rates equalisation reserve until such time as the costs the grant is designed to fund are identified, when it will be moved to the relevant service budgets (and reported to members in the earliest subsequent report). The figures in this report assume that such a transfer is made;
- (iv) That Members consider the forecast capital outturn as at 30 June 2025 which is for a total capital programme delivery of £6,502k against revised budget of £6,472k. Further information can be found at **APPENDIX 2** along with reasons for significant variances;
- (v) That the movements in Earmarked Reserves set out in **APPENDIX 4** be approved;
- (vi) That the revenue budget reconciliation in **APPENDIX 5** be noted;
- (vii) That the Committee requests that Officers begin planning for future savings as outlined in the revised MTFS position in **APPENDIX 6** and confirms that use of reserves in future years before Local Government Reorganisation (LGR) is a reasonable approach in the current circumstances.

### 3. SUMMARY OF KEY ISSUES

- 3.1 The Quarter 1 Budget Monitoring report provides financial forecast for the Council for the full year ending 31 March 2025 including revenue and capital forecasts and the impact of those on retained reserves (general and earmarked). It shows performance closely aligned to budget which demonstrates good financial management in operational areas.

#### 3.2 Revenue Budget Monitoring – Quarter 1

- 3.2.1 The forecast for the revenue budget projects an underspend of £43,000 against the 2025/26 budget. Overspending in operational areas is driven by the need to use interim staff to cover vacant posts in key delivery areas where recruitment is proving highly challenging (Planning and Finance). Funding has been higher in the areas of government grants, where some funding has been higher than anticipated. This additional funding is currently transferred to earmarked reserves (Council Tax and Business Rates equalisation reserve) pending allocation to match identified service cost pressures. Further detail is included in **APPENDIX 1**.

Maldon District Council - Period 3					
Area	Revised Budget £'000s	Actuals P3 £'000s	Forecast Year end £'000s	(Under)/ Overspend £'000s	(Under)/ Overspend %
Total Service Net Expenditure	12,724	3,780	12,729	43	0.3%
Total Funding	(12,724)	1,189	(13,042)	0	0.0%
Net Total Expenditure	0	4,969	(313)	43	

Figure 1 - summary revenue forecast at Quarter 1

#### 3.3 Capital budget Monitoring – Quarter 1

- 3.3.1 The forecast for the capital budget projects an overspend of £38,000 against the revised 2025/26 Capital programme of £6,472,000. The main project details can be found at **APPENDIX 2**.

#### 3.4 Reserves

- 3.4.1 The Council holds a number of earmarked reserves (provisions) for specific purposes and the General Fund Balance as a general unallocated amount.
- 3.4.2 At the start of the year earmarked reserves amounted to £6.6m and the general reserves were £8.6m. Further to some decisions to allocate reserves and the proposed transfer of additional revenue grants received in Q1 to an earmarked reserve, the current position shows earmarked reserves as £6.5m, and general reserves £8.4m – a total of £14.9m. Within the General Fund Balance, a 'core' reserve of £2.3m is retained as a funding source 'of last resort'.
- 3.4.3 Movements on these reserves for the year 2025 / 26 are detailed at **APPENDIX 3**.

#### **4. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028**

##### **4.1 Delivering good quality services.**

- 4.1.1 Regular reporting and monitoring of the Council's financial position is a key control in ensuring the Council makes the best use of its resources and is able to make informed decisions to support our residents.

#### **5. 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 subject of the report.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on Devolution / Local Government Reorganisation** – The financial position of the council will be scrutinised in advance of reorganisation as part of planning for LGR delivery. This report is written with that scrutiny in mind.

Background Papers: None.

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