



REPORT of DIRECTOR OF FINANCE

to
COUNCIL
12 FEBRUARY 2026

PROPOSED BUDGET 2026 / 27

1. PURPOSE OF THE REPORT

- 1.1 To present the proposed Budget 2026 / 27 estimates for to the Committee and to seek their recommendation to the Council for approval, including the proposed level of Council Tax for Maldon District in 2026 / 27.

2. RECOMMENDATIONS

That the following be discussed and approved:

- (i) The reduction in core spending power allocation as set out in the provisional financial settlement for local government (see section 4.2 below). The final settlement is expected in the week of 9 February, and any changes will be reported to the meeting.
- (ii) The base budget changes from 2025/26 to 2026/27 (section 4.4 and **APPENDIX 1**).
- (iii) The revenue budget growth bids received and recommended growth and savings as discussed by the Finance Member Working Group (section 4.7 and **APPENDIX 2**);
- (iv) The repairs and renewals schemes proposed for 2026/27 (section 4.8 and **APPENDIX 3**);
- (v) The budget assumes the average Band D Council Tax of £238.95 (excluding parish precepts), which is a £6.94 or 2.99% increase for 2026/27 (section 4.9). The formal council tax resolution to be approved by council is set out elsewhere on this agenda. The basis for calculating the charge is set out in **APPENDIX 4**;
- (vi) The impact on reserves and the current policy for reserves, including of a minimum general fund balance of £2.6m as discussed by the Finance Member Working Group (section 4.10 and **APPENDIX 5**);
- (vii) Consider the proposed policy on 'excess' reserves (paragraph 4.11.3);
- (viii) The advice of the Chief Finance Officer (S151 Officer) regarding the robustness of budgets and adequacy of reserves (section 5.6 and **APPENDIX 6**).

3. SUMMARY OF KEY ISSUES

- 3.1 A key function of the council is the setting and collection of council tax. Council tax is then a key component of funding for the council's operational activities in the coming year. This report provides the background for the decision on the proposed council charge for the coming year by setting out the proposed expenditure budgets of the council to support service delivery.
- 3.2 The main funding stream for the Council is Core Spending Power (CSP), which combined government grants and retained council tax receipts. Other grant funding is also available but is outside CSP. This is going to reduce from the current £11.5m to £11.3m by 2028/29. The report sets out how this reduction will be responded to.
- 3.3 Information on the Core Spending Power of the council was set out by government in the provisional Financial Settlement for Local Government, published in December. The final settlement is expected to be published in the week of 9 February. There may be changes to the core spending power for Maldon council between the provisional and final settlements. If so, the CFO will provide a verbal update in the meeting, detailing the impact of the changes and any material changes to the budget proposals.
- 3.4 The report covers four key aspects of the revenue budget:

Category	Description
Revenue resources	The resources available to the authority to support day-to-day activity, including core spending power (government support + council tax), investment income, and application of reserves.
Base budgets	Funding for ongoing operational activity, primarily from core spending power and investment income. Any remaining gap is funded through reserves. These represent the spending levels required to continue services at current levels into the new year.
Growth requests	Funding requests arising from service pressures, new requirements, or innovation. If approved, these are funded from reserves on a short-term basis.
Repairs and renewals	Investments to maintain assets in a functional state (not capital schemes). Schemes are submitted by service areas to ensure ongoing service availability. Costs are met from reserves.

- 3.5 The report shows how core spending power, supplemented by investment income, the Extended Producer Responsibility (EPR) grant and application of reserves will support the operational base budgets. It sets out the proposed bids to fund revenue pressures and growth, also using reserves. It includes the proposed repairs and renewals schemes for the year, and existing and new capital schemes. If proposed investments in growth and pressures funding, or repairs and renewals funding are not approved, the impact will be to reduce the use of reserves.
- 3.6 These proposals have been developed through consultation with the Finance Member Working Group. The objective of the investment proposed is to ensure that council and community assets are maintained and made ready for reorganisation in a way that will leave them in a good state well beyond 2028.
- 3.7 Overall, a package of both revenue and capital investment is proposed of £5.1m, as shown below. The estimates of reserves to 2028 included in the report demonstrate that this is affordable.

Table 1 - summary of proposals

	26/27 revenue - proposed funding for existing pressures and necessary growth	26/27 (urgent) repairs and renewals proposals	26/27 capital proposals	26/27 total proposed investments
<i>Promenade Park</i>		385,000	876,000	1,261,000
<i>Play sites (all areas)</i>			660,000	660,000
<i>Other Parks and Open Spaces (all areas)</i>			360,000	360,000
<i>Riverside Park</i>		2,500	-	2,500
All Parks and opens spaces		387,500	1,896,000	2,283,500
Leisure centres and Sports pitches		80,000	547,000	627,000
I.T.	417,000		-	417,000
Planning	299,500		-	299,500
Property mgt. and capital scheme delivery	275,100		-	275,100
Public Conveniences		135,000	58,000	193,000
Housing	87,200		-	87,200
Community Centres		28,500	55,000	83,500
Car Parking	24,800	25,000	30,000	79,800
Cemeteries		47,000	20,000	67,000
Vehicle & Plant Replacement			65,000	65,000
Other	574,800	48,500	-	623,300
Total	1,678,400	751,500	2,671,000	5,100,900

4. 2026/27 PROPOSED BUDGETS – BACKGROUND AND ANALYSIS

4.1 Forecast General Fund Revenue Budget outturn 2025 / 26

4.1.1 The latest Budget Monitoring Report (for the year to the end of November 2025, 'P8'), continues to show that operational budgets are being adhered to. Agreed savings for the current financial year are or have been delivered. This provides assurance that the baseline budget estimates for services are appropriate and confirms that this is a suitable base for future service planning.

4.1.2 Where there has been greater deviation from the budget estimates approved by the Council in February 2025 is in the area of overall funding. Consequently, this has been an area of review as part of the current budget round to ensure that all expected resources are considered alongside budget proposals. This helps to ensure that services and finances are planned in a way that supports value for money and efficiency.

Figure 1 - period 8 revenue budget forecast

Maldon District Council - Period 8	Revised Budget	Actuals P8	Forecast Year end	(Under) / Overspend
Sub-Directorate Level	£'000s	£'000s	£'000s	£'000s
Neighbourhood Services and Communities	5,237	2,083	5,246	9
Legal & Governance	2,767	3,236	2,767	0
Place, Planning & Growth	2,022	389	1,916	(106)
Finance	1,836	5,903	1,829	(7)
Strategy & Improvement	1,687	489	1,810	123
Chief Executive	732	374	704	(28)
	14,282	12,474	14,273	(9)
MRP	496	0	496	0
Investment Income	(664)	(373)	(895)	(231)
Total Service Net Expenditure	14,114	12,101	13,874	(240)
Funded by:				
Government Grants	(1,703)	(866)	(1,863)	(160)
Council Tax	(6,275)	0	(6,275)	0
Business Rates	(4,693)	1,864	(4,693)	0
Transfer (from) / to Earmarked Reserve	(871)	0	(871)	0
Transfer (from) / to General Fund	(572)	0	(276)	296
Total Funding	(14,114)	998	(13,978)	136
Net Total Expenditure	0	13,099	(104)	(104)

4.2 Core Spending Power 2026 - 29

- 4.2.1 The provisional 2026/27 local government finance settlement was announced in December 2025. It set out the likely level of funding for all councils to 2028/29 and as such was the first multi-year settlement in over 10 years. This forward view on likely resources helps appropriate planning to be undertaken and supports wider value for money. The settlement has also been calculated using the new 'Fair Funding 2.0' approach, which takes greater account of latest population and deprivation data.
- 4.2.2 Details of the final settlement are expected to be published in the week of 9 February. There may be changes to the core spending power for Maldon Council between the provisional and final settlements. If so, an update will be provided in the meeting, including any material changes to the budget proposals.
- 4.2.3 For some years the government's preferred measure of council spending has been called 'Core Spending Power' (CSP). It is made up of retained Council Tax and Business Rates income, and the 'fair funding allocation' (replacing the previous Settlement Funding Assessment, (SFA)). The position for Maldon is shown below.

Figure 2 - Core Spending Power based on 2026/27 provisional settlement data.

Maldon					
Illustrative Core Spending Power of Local Government:					
	2024-25	2025-26	2026-27	2027-28	2028-29
	£ millions				
Fair Funding Allocation ¹	0.0	0.0	4.7	4.1	3.4
Legacy Funding Assessment	4.9	5.0	0.0	0.0	0.0
Council tax requirement ^{6,7}	5.9	6.2	6.5	6.9	7.2
Homelessness, Rough Sleeping and Domestic Abuse ^{8,9}	0.2	0.2	0.3	0.4	0.4
Families First Partnership ¹⁰	0.0	0.0	0.0	0.0	0.0
Total Transitional Protections ¹¹	0.0	0.0	0.0	0.0	0.2
Grants rolled in to Revenue Support Grant ¹²	0.2	0.2	0.0	0.0	0.0
Recovery Grant	0.0	0.0	0.0	0.0	0.0
Recovery Grant Guarantee ¹³	0.0	0.0	0.0	0.0	0.0
Mayoral Capacity Fund	0.0	0.0	0.0	0.0	0.0
Core Spending Power	11.2	11.6	11.5	11.3	11.3
Core Spending Power year-on-year change (£ millions)		0.4	-0.1	-0.2	0.0
Core Spending Power year-on-year change (%)		3.8%	-0.9%	-2.1%	-0.1%

4.2.4 The table shows how the trend of the last 10 years is extended to 2028/29 – that is, that retained local Council Tax receipts take a growing share of core spending power, with a consequent reduction in the level of government grant funding.

4.2.5 There is a risk that the final settlement, once published, may be lower than published at the provisional settlement stage. In which case, it is suggested that reserves applied are increased to fund the difference.

4.2.6 The headline for Maldon is the material reduction in resources. This is driven by the updating of population data for all councils, plus the greater profile given to deprivation indications in the allocations to individual councils. Figure 2 clearly shows a reduction from CSP of £11.6m in the current year to £11.3m in 2028/29. This is a 2.5% reduction applied in real terms.

4.2.7 The Council is therefore faced with the choice to either reduce core service spending such that the balance in the base budget is maintained and long-term spending and funding are aligned; or to continue to support services in the period before Local Government Reorganisation (LGR) by applying uncommitted usable reserves.

4.2.8 Discussion with the Finance Member Working Group was clear that it was preferable to continue to support services at their current level rather than to reduce services ahead of LGR. Further it was noted that the current level of retained reserves is already higher than in benchmark authorities and that further spending reductions would continue to maintain that. By contract, the application of reserves – in a targeted and sustainable way – would preserve services and amenities for local people and so reduce the level of reserves that would be handed over to the successor authority.

4.3 Other funding

4.3.1 Other sources of funding for core services include the Extended Producer Responsibility (EPR) grant, which will be £0.694m in 2026/27. This can be used flexibly, although government expects it to be fully applied and that it is targeted towards waste management budgets.

4.3.2 The Council is also able to earn income on invested funds which are temporarily surplus to operational cashflow requirements. In the current year, the expected overall income

will be c£894k. This level of income is forecast to reduce due to the plans (set out in the report) to apply reserves to operating and capital costs. This will reduce available balances for investment, and so the level of income achievable.

4.4 Base budgets 2025/26 to 2026/27

4.4.1 Budget planning begins by effecting any necessary adjustments to base budgets (such as the recoupment of one-off reserves funding for growth in prior years) and then calculating estimates of pay and price growth for the coming year. These changes are summarised below (figure 3). Details of the base budget position summarised in figure 3 are included in detail as **APPENDIX 1**.

4.4.2 This shows that the net impact of technical adjustments and pay and price inflation is additional pressures of £0.819m. Growth in the budgets for goods and services (contractors and suppliers) is notable. This is due to a combination of technical changes (where grant funding and supplier costs were previously netted off but are now separated in line with best practice) and inflationary pressures, including the inflation in the cost of the waste contract (which tends to be above background inflation). The increase in the cost of the waste collection contract can be offset through application of the Extended Producer Responsibility (EPR) grant.

Figure 3 - growth in base budgets, 2025/26 to 2026/27

£M	Goods and Services	Staffing	Transport	Capital Charges	spending	Government Grant	Fees and Charges	Other Income	Offices and Depots	resources	Net Budget
base budget b/f	18.390	11.892	0.119	0.801	31.201	(9.303)	(4.348)	(4.322)	(0.148)	(18.121)	13.080
net change	0.712	0.540	(0.019)	0.103	1.336	(0.159)	(0.104)	(0.244)	(0.010)	(0.517)	0.819
revised base budget after inflation	19.102	12.432	0.100	0.904	32.537	(9.462)	(4.452)	(4.566)	(0.157)	(18.638)	13.899
change %	3.9%	4.5%	-16.2%	12.9%	4.3%	1.7%	2.4%	5.7%	6.4%	2.9%	6.3%
2026/27 spend type as % of total spend/income	59%	38%	0%	3%	100%	50.8%	23.9%	24.5%	0.8%	100.0%	NA

4.5 Directorate allocations of the base budget

4.5.1 The base budget is allocated across the Director's budgets as shown in the table below.

Directorate	Budget 2025/26	Budget 2026/27
Neighbourhood Services & Communities	5,279,400	5,518,600
Legal & Governance	3,954,900	2,742,300
Place, Planning & Growth	1,837,400	2,025,900
Finance	854,400	1,817,800
Strategy & Improvement	642,200	1,432,000
Chief Executive	352,800	218,400
Corporate	159,200	144,200
Total delegated budgets before recurrent savings	13,080,300	13,899,200

Figure 4 - base budgets split across director responsibility areas

4.6 Savings

- 4.6.1 The Council is part of the Greater Essex Council Tax pool and has been for some years. The objective of the pool is to support districts in ensuring that collection rates are maximised. This is largely led as a process by Essex County Council (ECC). Their own interest is in ensuring that the substantial contribution of council tax receipts to offsetting the ECC social care budget pressures is maintained. To this end, the pool has two functions. First, there is a fixed level of financial support provided to ensure that staffing levels in revenues teams are maintained at a robust level. Second, where a council is able to exceed an agreed level of collection, there is a 'gainshare' or reward payment. This usually arises in the following year, once values have been confirmed.
- 4.6.2 The level of financial support for the staffing element of this arrangement was increased in 2025/26 but this was not reflected in MDC budgets, so it is now being included.
- 4.6.3 Due to uncertainty over the level of benefit to be achieved, previous budgets have not budgeted for the gainshare element of this arrangement. This is being amended in the current budget to ensure that oversight of value for money is maintained.
- 4.6.4 Extended producer responsibility grant funding to MDC was £648k in 2025/26. It increases to £694k in 2026/27. The grant is intended to be spent in support of enhanced waste collection services arising from the extended producer responsibility for food packaging. The grant is not ringfenced and can be applied as needed. IT is expected to be fully applied to waste services.
- 4.6.5 Around 50% of the grant has been committed to MDC waste management services in the current financial year. The remainder is being applied and will free up base budget at the end of the year, which can then be carried forward.
- 4.6.6 The previous provision for the pension fund deficit is no longer required as the deficit has now been fully funded.

Figure 5 - proposed savings (income increases)

Savings	2026/27
Council Tax - Essex-wide pool; staffing uplift	(0.100)
Council Tax - Essex-wide pool; gainshare	(0.270)
Extended Producer Responsibility - 2025/26 benefit to base budgets	(0.334)
Remove Pension provision (deficit now closed)	(0.120)
Total	(0.824)

4.7 Revenue growth and pressures bids

- 4.7.1 Services were invited to submit revenue bids for funding, either for existing service pressures or for growth bids. Bids totalling £3.3m were initially received.
- 4.7.2 Further to officer review, a number of bids were withdrawn, identified to overlap or duplicate, or were otherwise unnecessary. Bids being taken forward were reduced to £1.678m. These were discussed with Finance Member Working Group.
- 4.7.3 As part of these bids, a number of items were brought forward which could be funded from existing earmarked reserves – a total of £0.679m. This takes the value of bids requiring funding from other earmarked reserves or from general reserves to £0.999m. These are summarised in the table below. The details of the bids are included as **APPENDIX 2**.

Figure 6 - revenue budget bids and recommendations

Directorate	Budget 2025/26	Budget 2026/27	Ongoing Revenue bids 2026/27	One-off Revenue bids 2026/27	Bids Recommen ded 2026/27	Suggested use of earmarked reserves 2026/27	Total Requested 2026/27	Implied spending 2026/27
Neighbourhood Services & Communities	5,279,400	5,518,600	163,400	136,500	299,900	(87,830)	212,070	5,730,670
Legal & Governance	3,954,900	2,742,300	8,000		8,000	0	8,000	2,750,300
Place, Planning & Growth	1,837,400	2,025,900	144,500	242,200	386,700	(386,700)	0	2,025,900
Finance	854,400	1,817,800	323,800		323,800	0	323,800	2,141,600
Strategy & Improvement	642,200	1,432,000	502,000	86,000	588,000	(204,000)	384,000	1,816,000
Chief Executive	352,800	218,400	57,000	15,000	72,000	0	72,000	290,400
Corporate	159,200	144,200	0	0	0	0	0	144,200
Total delegated budgets before recurrent savings	13,080,300	13,899,200	1,198,700	479,700	1,678,400	(678,530)	999,870	14,899,070
Savings								(824,000)
Total delegated budgets after recurrent savings								14,075,070

4.8 Repairs and Renewals

4.8.1 Bids for repairs and renewals were invited from service areas. These bids relate to areas where substantial investment is required to ensure service continuity, but where the investment does not 'enhance or extend the life of' the assets (which would then qualify as capital).

4.8.2 Repairs and renewals bids to the value of £0.752m have been recommended, further to discussion with Finance Member Working Group. These are set out in detail in **APPENDIX 3**.

4.8.3 Repairs and renewals schemes, where approved, are added to revenue budgets for the purpose of monitoring delivery. Funding is provided through the allocation of reserves.

Figure 7- Repairs and Renewals bids grouped by theme

proposal	repairs & renewals
PROMENADE PARK	385,000
RIVERSIDE PARK (Repairs and Renewals)	2,500
CEMETERY (Repairs and Renewals)	47,000
COMMUNITY CENTRES	28,500
PRINCES ROAD DEPOT (Repairs and Renewals)	48,500
DENGIE 100 (Repairs and Renewals/ Capital)	80,000
CAR PARKS (Repairs and Renewals/ Capital)	25,000
PUBLIC CONVENIENCES (Repairs and Renewals/ Capital)	135,000
Total	751,500

4.9 Council Tax

4.9.1 The calculations for the council tax requirement of MDC have been prepared assuming that the proposals for the revenue budget are approved by the Council. In the even that any proposals are not approved, this will create a reduction in spending and an increase in reserves. The council tax has been assumed at +2.99% on the charge and +1.6% on the base, in line with government estimates and local information. Reduction in the proposed council tax charge will reduce core spending power.

- 4.9.2 The Council Tax referendum threshold set by the Secretary of State for 2026 / 27 was announced as part of the Provisional Settlement; and for Maldon, the threshold has been set at 2.99% increase over 2026 / 27 or £5, whichever is the greater. Any Council proposing increases more than the threshold faces the substantial cost of conducting a local referendum and, if it results in a 'No' vote, the rebilling cost also.
- 4.9.3 The Government, in calculating the core spending power for each council, assumes they will have taken the benefit of the 2.99% increase (see table in paragraph 3.4.2) it is important that the Council considers the option of the 2.99% increase for 2026 / 27.

Figure 8- council tax 2026/27

Options for Increase in Council Tax from 2025 / 26 to 2026 / 27	Increase on 2025 / 26 Band D Council Tax		Additional Income Band D
Tax Base = 27,293.0	0.00%	2.99%	
Band D Council Tax 2026 / 27	£232.01	£238.95	£6.94
Maldon District Council: Council Tax	£6,230k	£6,522k	£291k

- 4.9.4 Increasing the Council Tax by £6.94 to £238.95 will raise an additional income of £291,175 in 2026 / 27. The increase of £6.94 per year equates to 13p per household per week; The charge of £238.95 per year equates to £4.60p per household per week.
- 4.9.5 The tax base to be used for setting the 2026 / 27 Council Tax. It has been calculated at 27,293.0 "Band D equivalent" properties, after allowing for a non-collection rate. This tax base is being applied for the purposes of setting the 2026 / 27 Council Tax. Further details of the Council Tax calculation are included as **APPENDIX 4**.
- 4.9.6 It is expected that there will be a surplus of around £200k on the collection fund in 2025/26. This will be a benefit to the Council in 2026/27 in proportion to the MDC share of the overall council tax charge in the district (10.6%, or around £20k).
- 4.9.7 In accordance with the legislation under the Local Government Finance Act 1992, all parish precepts must be charged to the Council's General Fund. At the time of writing this report not all parish precepts had been received. It is expected that all the parish precepts will be reported at the Council meeting on 12 February 2026 for Council Tax setting purposes.
- 4.10 Reserves**
- 4.10.1 Based on the proposals set out in this report, the estimated level of reserves to April 2028 has been prepared. This is shown below. The estimates include an assumed £10m of external borrowing to be undertaken in 2027/28, although the amount and the timing is not yet known with certainty. The overall position retains £2.6m of 'core' reserves as a result.
- 4.10.2 At present, the council has no external borrowing. The decision to use external borrowing has been taken, in principle, in the approval of Council given to the 2025/26 Treasury Management Strategy in its meeting of February 2025.¹ This budget sets out that external borrowing is now expected (but not yet confirmed). This change in the operation of treasury management in the council will be supported by independent advice from Link Group LLP regarding the most advantageous value, timing and maturity of external borrowing. It will also be supported by Internal Audit review, and review through Performance, Governance and Audit Committee, to supplement the existing reporting of treasury management performance to Strategy and Resources Committee.

¹ [\(Public Pack\)Agenda Document for Council, 13/02/2025 19:30](#) – P272

- 4.10.3 Of the 15 councils in Greater Essex, Maldon is one of 2 with no borrowing at present. Across all 15 councils, the average level of borrowing is £250m, although this includes £548m held by Essex County Council and £840m held by Thurrock Council. It should be noted that most councils also have social housing responsibilities with the consequence of higher levels of external borrowing (funded through the housing account). Across all English councils, around 90% hold borrowings at any point in time, most commonly through HM Treasury (Public Works Loan Board – PWLB).
- 4.10.4 The proposed use of reserves includes earmarked reserves set aside of £0.4m to support Local Plan delivery and £1m for preparation for LGR. It is not yet clear if the full £1m will be required, but early indications from the discussions of officers and Chief Executives across Greater Essex are that potential cost pressures may be significant and should be provided for. In the event that this proves incorrect, the earmarked reserve can be reduced or removed. This will be reviewed during the 2026/27 year. Details of all proposed use of earmarked reserves and general reserves through to April 2028 are included at **APPENDIX 5**.
- 4.10.5 It is proposed to add to the policy on use of reserves that ‘Councillors should review reserves and how they are proposed to be used if the overall level of usable revenue reserves exceeds Core Spending Power’ (CSP is shown above in Figure 2 and is £11.5m in 2025/26).

Figure 9 - estimated reserves levels to April 2028

	Total Earmarked Reserves	General reserves	Total usable reserves
Forecast P8	(5,772)	(8,064)	(13,835)
Items not yet included in the 25/26 P8 forecast			
Hyth Quay de-silting allocation	0	100	100
LGR5UA model contribution	24		24
Unspent revenue contingency	0	(325)	(325)
Capital prog 25/26	0	2,600	2,600
EPR unapplied 25/26	0	(350)	(350)
Pension strain	240		240
LGR preparation	(1,000)	1,000	0
revised 25/26	(5,508)	(5,039)	(10,547)
2026/27 start	(5,508)	(5,039)	(10,547)
Local plan top up	0		0
revenue growth	1,744	25	1,769
Leisure contract	(183)		(183)
Capital (new schemes)	1,913	758	2,671
capital (existing cap prog spend in 26/27)	0	2,000	2,000
Capital - internal borrowing	0	3,860	3,860
Repairs and renewals out 26/27	752		752
Tfr for repairs and renewals in 26/27	0		0
Tfr for 27/28	0		0
IN YEAR 26/27	4,226	6,643	10,869
2027/28 start	(1,282)	1,604	322
Revenue growth	0	827	827
Repairs and renewals	300		300
Leisure contract	(514)		(514)
Capital (new schemes in 26/27)	0	633	633
Capital (cap prog internal borrowing)	0	740	740
External borrowing		(10,000)	(10,000)
Services	108		108
IN YEAR 27/28	(106)	(7,800)	(7,906)
2028/29 start	(1,388)	(6,196)	(7,584)

5. OTHER MATTERS

5.1 Greater Essex Business Rates Pool

As agreed by the Council in October 2015, the Council joined the Essex Region Business Rates Pool (the Pool) in April 2016. The Pool is not expected to continue to operate in 2026 / 27 due to the impact of the rest of business rates and the impact of that. The Council has expressed interest in rejoining the pool, should it be beneficial to do so, but otherwise it will not.

5.2 Greater Essex Council Tax Pool

5.2.1 This council has been part of the council tax pool in Greter Esses for a number of years. The pool was originally set up such that the County Council would support districts to maximise council tax collection, which is a material benefit to the county (in respect of social care and similar costs, most of which are 80%+ funded through council tax).

5.2.2 The benefits arise in two ways. First, the council receive a contribution from ECC to the cost of staff in revenues and benefits. This is to prevent the council feeling obliged to reduce staffing, which is likely to reduce collection rates, and so impact the county council. Second, if the collection rate arising from this position is able to exceed an agreed threshold, the council receives a 'dividend' (or 'gain share') from ECC as a result.

5.2.3 In the last year, the staffing costs contribution was increased to £2004k, from £100k. Additionally, the benefit arising from achieving or exceeding the agreed collection rate (which has varied between £180k and £360k) has not been budgeted for as the amount and timing has been uncertain. For this year, it has been included in budget estimates as the income source is highly dependable, if variable. The estimate has been made based on the average of the last 4 years.

5.3 Interest on Investments

5.3.1 Investment income is received when surplus case funds are invested in suitable counter-parties, as defined in the treasury management strategy. Amounts achievable are estimated based on likely cash-balances and the prevailing bank rates. Estimated income is assumed to reduce across the coming years as reserves balances are applied to revenue and capital investments.

5.4 Local Plan

5.4.1 Further to revised requirements from government relating to the local plan, provision for potential costs has been made in earmarked reserves rather than within revenue budgets. This is because the amount required is not yet known with any certainty.

5.5 Future investment in Promenade Park

5.5.1 Members are in discussion regarding the potential to invest in revitalisation of the museum and the site previously occupied by the classroom at Promenade Park. This is in the context of Maldon Town and the Promenade Park securing visitors to the level of c 0.5m per year – a clear benefit to the local economy.

5.5.2 No estimates for the development of delivery costs of possible future investments have yet been included in budget estimates, as a clear plan is required before the amount can be estimated. As plans are brought together and gain member agreement, these can (if appropriate) be added to revenue and capital estimates in the usual way. There remains

headroom in the Council's investment capacity (considering reserves and possible external borrowing together) to accommodate such proposals.

- 5.5.3 The Council faces several key risks, also described as the key themes in the Medium-Term Financial Strategy (MTFS) report (also on this agenda). These include Local Government Reorganisation (LGR), digital (Cyber-security and AI (Artificial Intelligence)), the impact of geopolitical volatility, and specific risks and opportunities arising in the Maldon district area. Overall, the key strategic risk is to the ongoing reputation of the Council, up to and after reorganisation. The budget proposals in this report, and the capital investment proposals and the medium-term strategy, all propose a range of investments to help to secure a strong reputational legacy for the Council, based on clear achievements and lasting investments.

5.6 Section 25 assurances

- 5.6.1 Section 25 of the 2003 Local Government Act requires the Section 151 Officer to make a formal report to the Council on the robustness of the budget and adequacy of reserves. In sum, the s151 officer is reassured that the budget estimates as presented are robust and that the level of reserves is adequate. The assurance on these points is derived from professional review of current and previous financial performance, which shows that base budgets are understood and adhered to, and the modelling forward of likely reserves balances to ensure that amounts available remain adequate through to the likely date for reorganisation. Further, planning to map the likely position in April 2028 provides a clear understanding of the position to be managed should LGR be delayed. These assurances are set out in **APPENDIX 6**.

6. CONCLUSION

- 6.1 This report proposes a revenue budget for 2026/27 which meets the corporate plan objectives of the Council, prioritised based on the advice of the Finance Member Working Group.
- 6.2 It proposes an increase in the average band D Council Tax in 2026 / 27 of 2.99% in line with government assumptions.

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

- 7.1 This budget is prepared in support of delivery of all corporate plan priorities and objectives for the 2026/27 financial year.

8. IMPLICATIONS

- (i) **Impact on Customers** – The budget process ensures that changes in service delivery resulting in budget changes are reviewed by Officers and Members so that any impact can be considered. In 2026 / 27, only essential budget growth has been considered.
- (ii) **Impact on Equalities** – The budget affects all residents in the district, it is not considered that the provisions impact negatively on an individual user group.
- (iii) **Impact on Risk (including Fraud implications)** – The distribution of resources reflected in the revenue and capital budgets is designed to support the Council's approach to risk management (i.e. to reduce all major corporate risks to a level

within approved tolerances through the implementation of approved mitigation plans).

- (iv) **Impact on Resources (financial)** – This report details the impact on financial resources.
- (v) **Impact on Resources (human)** – The budget includes an assumed pay increase.
- (vi) **Impact on Devolution / Local Government Reorganisation** – This budget falls outside the planned implementation of Local Government Reorganisation (due to commence from 1 April 2028).

Appendices

APPENDIX 1 – base budget detail (detailed analysis of base budgets by cost centre and spending type)

APPENDIX 2 – revenue growth and pressures bids

APPENDIX 3 – proposed repairs and renewals schemes

APPENDIX 4 – council tax resolution

APPENDIX 5 – estimated levels of reserves, 2026-28

APPENDIX 6 – assurances on the robustness of the estimates and adequacy of the reserves

Background Papers:

Budget Monitoring report (Quarter 2) to the Strategy and Resources Committee, 20 November 2025.

Fees and Charges report to the Strategy and Resources Committee, 20 November 2025.

Enquiries to: Ben Jay, Director of Finance.