REPORT of
DIRECTOR OF FINANCE

to
STRATEGY AND RESOURCES COMMITTEE
19 MARCH 2026

BUDGET MONITORING REPORT – PERIOD 9 (END DECEMBER 2025)

1. PURPOSE OF THE REPORT

1.1 To provide Members of the Committee with an updated financial position for the Council for the period ended 31 December 2025 (Period 9, or Quarter 3).

1.2 This matter is brought forward for consideration with the agreement of the Chairman so that the Council has clarity on its financial position, considering revenue budgets, capital investment, reserves, and cashflow.

2. RECOMMENDATIONS

That the Committee:

(i) notes that the forecast revenue expenditure outturn as at 31 December 2025 is £20k over budget against the net service budget of £14.114m; also that the improved income position in a number of areas means that use of general reserves can be avoided. Further information can be found at section 3 and **APPENDIX 1** along with reasons for significant variances.

(ii) notes the forecast capital expenditure outturn as at 31 December 2025 which is for a total capital programme delivery of £5.654m against revised budget of £6.980m, and the details of schemes completed in the year so far (paragraph 3.3.4). Further information can be found at **APPENDIX 2** along with reasons for significant variances.

(iii) approves the movements in Earmarked Reserves set out in **APPENDIX 3**;

(iv) notes the revenue budget reconciliation between the opening and current budget in **APPENDIX 4**.

3. SUMMARY OF KEY ISSUES

3.1 The Period 9 Budget Monitoring report provides the financial forecast for the Council for the year ending 31 March 2026. It includes revenue and capital forecasts and the impact of those on retained reserves (General and Earmarked).

3.2 The report shows operational budget performance closely aligned to budget plans. This demonstrates the accuracy of the base budget position and the effectiveness of budget management by officers.

3.3 **Revenue Budget Monitoring – Period 9**

3.3.1 The forecast for the revenue budget projects an underspend of £161k against the 2025/26 budget for operating activities. This is largely due to budgeted income being higher than estimated for planning (£595k) and car parks (£80k). Favourable planning income is significantly affected by major planning applications received. Planning fee income is divided into pre-application advice, minor planning application, and major planning applications. Preapplication advice and minor applications are covered by a tariff, whereas planning fees for major applications are variable depending on the application size. Major planning applications are difficult to predict and this is probably an unusual year. Car parking income has been particularly strong considering that a number of charges were frozen in the current year. Estimated income assumed that the volume of activity would be stable, and so the lack of an inflationary increase would reduce overall potential income. In fact, actual parking volumes have exceeded the previous year with additional income as a result.

3.3.2 Increased planning fee income was included in the budget plans recently approved for the coming year. Parking fee income was also included, with a reduction as some tariffs were, again, recommended to be frozen at current rates. Actual performance against both income estimates will be monitored through the coming year.

3.3.3 Additional investment income has also been secured as a result of capital schemes requiring internal borrowing developing slower than previously estimated.

3.3.4 Operating costs are therefore forecast to be £392k below the net expenditure estimated in the budget. Combined with additional unbudgeted grant expenditure received of £160k, the planned use of £572k from general reserves included in the budget is no longer expected to be required, so is shown with a nil forecast. This means that general fund reserves will be retained at a higher level than previously estimated. Details are included at **APPENDIX 1**.

3.4 **Capital Budget Monitoring – Period 9**

3.4.1 The forecast for the capital budget projects an underspend of £1,324k against the revised 2025/26 Capital programme of £6,980k. The main project details can be found at **APPENDIX 2**. This is substantially unchanged from period 8.

3.4.2 Many capital projects get under way in the early part of the year. Completions tend to come through during the second half of the year. Schemes completed during the year to December 2025 are shown below. These were all completed within planned timescales and budgets. The demolition of the Hythe Quay classroom was brought forward for safety reasons.

3.5 **Project delivery up to 31 December**

Capital Programme 2025/26	Budget (£000)	Outturn (£000)	Project Status
Riverside Park - skate park and equipment	193.0	192.5	Completed
New Play site Equipment (CR) - West Maldon Councillor Shaughnessy	139.0	143.0	Completed
Play site Surfacing - Oaktree Meadow (CR)	115.0	114.0	Completed
Amphitheatre rebuild works	79.4	79.0	Completed
Maintenance Team Vehicle (CR)	38.0	35.0	Completed
Community Engagement vehicle	36.0	36.0	Completed
Play Site Fencing (CR)	31.0	32.0	Completed

Capital Programme 2025/26	Budget (£000)	Outturn (£000)	Project Status
Scout Hut Brickhouse Farm Works	26.0	24.6	Completed
99 Wood road Community Supermarket location	20.0	20.0	Completed
Blackwater Leisure Centre (BLC) Roof safety system	19.5	20.0	Completed
Demolition of Hythe Quay Classroom	0.0	13.0	Completed (unbudgeted; brought forward due to risk at the site)
Total completed projects	**696.9**	**709.1**	

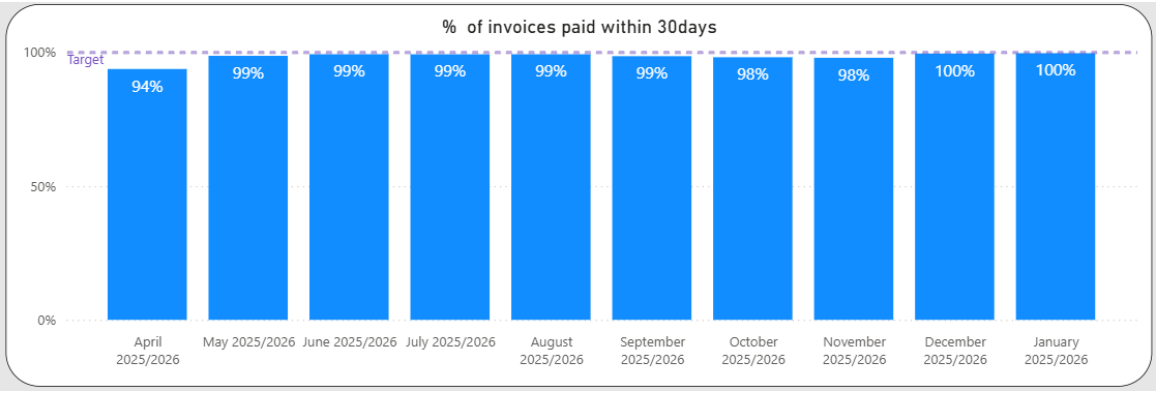
3.6 Delivery against the five largest projects up to 31 December

3.6.1 Considering the top five schemes by value, the progress is shown below. Some works are already concluded while others will continue. The Blackwater Leisure Centre capital investment is linked to the leisure contract. Costs remain as originally agreed and as within the contract. The costs will be incurred in the current year and the following financial year. Actual costs attributable to the current year are estimated at £2.6m (as below) although, depending on progress, this may be up to £3.6m. This will not affect financing. Actual attribution of costs will be advised by the scheme quantity surveyor.

Capital Programme 2025/26	Budget (£000)	Outturn (£000)	Project Status
New Leisure Centre Facilities (BW)	3,946.0	2,600.0	In progress; timing of works before year end uncertain. Outturn may be up to £3.6m.
Skate Park Prom park	617.0	617.0	In progress
Butt Lane and White Horse car parks	250.0	245.0	In progress
Secret Garden and sensory play site	193.0	192.5	Completed
MDC Access roads resurfacing	180.0	180.0	In progress
	5,186.0	**3,834.5**	

3.7 General Fund Creditors and Debtors

3.7.1 Payments to suppliers are usually undertaken as soon as the payment is authorised. This process was adopted during COVID and has not been rescinded. Current monthly performance shows that most invoices (99% or 100%) are paid immediately they are authorised. The Council does not delay payments for cashflow purposes.



3.7.2 Debt received for services provided by the council is monitored each month. Outstanding debt for general fund activities as at 31 December was £616k. Of this, £368k is 'new' debt raised within the month of December. Debts dated at more than 31 days ('overdue') amount to £247k. Debt being pursued (over 55 days) is £182,869. Of this, the majority (£88k) has been passed to a debt collection agency. £44k has a payment plan in place. £30k has been paid since 31 December.

Category	amount
All general fund debt at 31 December	£615,595
Of which	
- 30 days or less (not overdue)	£368,439
- 31 days or more (overdue)	£247,156
Overdue debt	
- 31-41 days	£10,669
- 41-55 days	£53,618
- 55+ days	£182,869
Overdue debt over 55 days old – action	
- Debt collection agency instructed	£88,532
- Payment plan in place	£43,731
- Legal action in hand	£21,574
- Paid since 31 Dec	£30,555
- Officer review	£12,577
- Account in credit	-£14,099

3.7.3 In terms of tax debt (not general debt), outstanding council tax debt in the collection fund at the start of the financial year was £2.6m, of which £2.1m arose within the last five years. Debt older than five years is £0.5m.

3.7.4 Debt written off by the Council is written off against the bad debt provision set up at the start of the year, which was £1,030k (note 13, 'debtors impairment allowance').

4. CONCLUSION

4.1 This report provides an update on the current financial performance of the council. It highlights that operational expenditure budgets are being well managed within allocated budget limits. In some areas, income received is exceeding previous estimates.

4.2 Debt due to the Council is held at a reasonable level with appropriate and proportionate action in place to secure unpaid debt where needed.

4.3 Capital schemes are being delivered largely within budget and time expectations, although some slippage on delivery to next year is anticipated.

4.4 Reserves are maintained at a robust level compared to estimated requirements.

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

5.1 **Delivering good quality services**

5.1.1 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.

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 subject of this 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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