



**REPORT of
DIRECTOR OF FINANCE**

to
STRATEGY AND RESOURCES COMMITTEE
11 JUNE 2026

BUDGET MONITORING REPORT – PERIOD 12 (31 MARCH 2026)

1. PURPOSE OF THE REPORT

- 1.1 To provide Members of the Committee with the final (outturn) financial position for the Council for the period year to 31 March 2026 (Period 12).
- 1.2 In line with previous monitoring reports presented during the year, the outturn shows good performance in both revenue budgets and capital investment in line with expectation; debts have been reduced; and reserves have been applied in line with previous decisions.

2. RECOMMENDATIONS

That the Committee:

- (i) notes the final revenue outturn as at 31 March 2026 is £133,000 under budget (0.9 %), with strong income performance in a number of operational areas. Further information can be found at **APPENDIX 1**;
- (ii) considers the capital outturn as at 31 March 2026 which is total capital programme delivery of £5.476m against revised budget of £6.980m, or 78% of the capital budget. Scheme delivery that is fully controlled by the Council has achieved 93% of budgeted spend for 2025/26. Due to the phasing of the delivery of works at the leisure centre, 60% of the projected capital expenditure was spent in 2025/26 with the remainder being forecast for delivery in 2026/27. Further information can be found at **APPENDIX 2**;
- (iii) approves the movements in Earmarked and General Reserves set out in **APPENDIX 3** and the associated application of reserves in the value of £4.854m, including £1.072m to revenue budgets and £3.782m of capital funding (see section 7.4 and **APPENDIX 3**), and the related adjustments to budgets (section 7.4 and **APPENDIX 4**).
- (iv) notes the revenue budget reconciliation between the opening and current budget in **APPENDIX 4**;
- (v) notes the improved general fund debt position and the cash benefit of £81,000 arising.

Maldon District Council - Outturn	Revised	Actuals	(Under) /
	Budget	P12	Overspend
Directorate	£'000s	£'000s	£'000s
Neighbourhood Services and Communities	5,504	5,346	(158)
Legal & Governance	2,791	2,791	(0)
Place, Planning & Growth	2,022	1,650	(372)
Finance	2,623	3,033	410
Strategy & Improvement	1,687	1,663	(24)
Chief Executive	726	726	(0)
	15,354	15,209	(144)
MRP	496	14	482
Investment Income	(664)	(1,046)	(382)
Total Service Net Expenditure	15,186	14,177	(44)
Funded by:			
Government Grants	(1,703)	(1,838)	(135)
Council Tax	(6,275)	(6,275)	0
Business Rates	(4,693)	(4,647)	46
Transfer (from) / to Earmarked Reserve	(1,456)	(1,455)	1
Transfer (from) / to General Fund	(1,059)	(1,059)	(0)
Total Funding	(15,186)	(15,274)	(88)
Net Total Expenditure	(0)	(1,097)	(133)

Figure 1 - revenue budget outturn

3. SUMMARY OF KEY ISSUES

- 3.1 The outturn Budget Monitoring Report provides the final financial position of the Council for the full year ending 31 March 2026 including revenue and capital outturn and the impact of those on retained reserves (General and Earmarked).
- 3.2 The report shows that operational budget performance was closely aligned to budget plans. This demonstrates the accuracy of the base budget position and the effectiveness of budget management by officers throughout the year.
- 3.3 Funding has been applied in line with the budget decisions in February 2025 and in later committee and council meetings. Capital funding has been reviewed, and funding sources are recommended in line with the wider financial environment the Council operates within. Revenue application of reserves funding is also recommended in line with resourcing priorities identified by Council and Committees through the year.

4. REVENUE BUDGET OUTTURN – PERIOD 12

- 4.1 The outturn for the revenue budget is an underspend of £133,000. The strong performance is attributed to additional income from investments, car parks, and from planning activities. Strong income performance has offset additional unbudgeted costs in I.T ensuring that systems are sufficiently maintained. Further detail is included in **APPENDIX 1**.
- 4.2 Salary costs have been kept under review during the year. There have been a number of vacancies in all areas. In common with other small councils, it is often the case that vacant posts cannot be sustained for long and so interim staff are engaged

to maintain service delivery. The table below shows how underspent salary budgets have been used to fund interim and temporary staff costs.¹ The cost to the Council of interim and temporary staff has been reduced through participation in the Essex County Council (ECC) temporary staff service. It is estimated that this saved £114,000 by comparison with usual sector premiums.

	Budget	Outturn	Variance
Salaries	11,342,400	10,346,661	(995,739)
Temporary Staff	372,100	1,329,382	957,282
	11,714,500	11,676,044	(38,456)

Figure 2 - comparison of staffing budget and temporary staff costs

- 4.3 The overspend in Finance Services is due to prior years' corporate savings targets being included in these budgets. These savings include £281k for 'vacancy factor' savings and £120k for senior officer savings. Vacancy factor savings have been unachieved. This is because vacant posts usually require cover to ensure service continuity, a more urgent issue in a small council. Senior officer savings, previously unachieved, have been exceeded as a result of the restructure (see section 5.4 below).

5. SIGNIFICANT CHANGES DURING THE YEAR

- 5.1 A number of key developments were undertaken during the year. These include the evolution of the Local Government Reorganisation (LGR) proposals, the first year of the new Leisure Services contract, and restructure of staffing.

5.2 Development of LGR

- 5.2.1 Council meeting February 2025, business cases submitted November 2025, decision March 2026 as agreeing the Five Unitary Authority (5UA) model. Work in hand on the Mid-Essex footprint between the four predecessor councils (including ECC). Workstreams including legal and governance, finance, ICT, procurement, Human Resources (HR) already established and initial programme priorities being established, focussed on 'safe and legal on day one'.

- 5.2.2 Preparation for LGR includes two main strands of activity – first, ensuring that all Maldon District Council (MDC) services and associated records are fit for purpose and, second, beginning a wider process of converging data and services across the four councils which will form the new Mid-Essex Council.

5.3 First year of Leisure Contract

- 5.3.1 Investment in Blackwater Leisure Centre. Good membership performance. Good engagement with Places Leisure as contract holders. Overall good start to the contract and financials in line with contract projections. Contract management framework in place, being managed with regular operational officer meetings with strategic member oversight by the Leisure Partnership Board.

¹ This analysis also demonstrates that securing savings through holding posts vacant for a period of time ('vacancy factor') is not a viable approach.

5.4 Restructure

- 5.4.1 Following the review by the Local Government Association (LGA) the Transforming Together organisation restructure has led to redistribution of staff between grades, with the streamlining of the Senior Leadership Team (SLT) and reductions in the most senior grades and growth in other more operational grades within the organisation. This meets the objective of ensuring that there are sufficient staff at the right levels to be able to meet resident needs. Streamlining the senior tiers, adopting a consistent approach to grading and adoption of more meaningful and professional job titles has helped ensure a more consistent overall approach.
- 5.4.2 This has already provided benefits in streamlining key issues such as Fresh Service and Vacancy Control Forms, reducing the number of non-value-adding hand-offs between staff and speeding processes up. Controls have been moved to focus on budget management and not spending processes.

Senior Leadership Team (SLT)	SLT has met weekly, face to face, since October 2025. Key developments are listed below.
	Greater scrutiny of reports prior to publication ensuring that Working Groups, Committees and Committee Chairs are briefed appropriately before meetings
	Wider policies are also under review to ensure that these are up to date ahead of LGR, and will be brought back to Committees in the coming months
	Financial management has been more closely aligned to the new staff structure, supporting heads of service and service managers to be better informed and better able to manage their services.
	Greater transparency in reporting to senior officers and members, ensuring that issues are dealt with in a consistent and appropriate way.
Senior Management Team (SMT)	Revised meeting schedule; clarification of terms of reference, forward agenda planning.
	Training planned for all service areas
	Supported delegation (e.g. budget and debt management, health and safety)
	Engagement of SMT with SLT activity regarding review and updates to agreed policies, to ensure all proposals are shared and understood.

Figure 3 - benefits secured as a result of the staff restructure

- 5.4.3 Two phases - The restructure was undertaken in two phases – phase 1 covered Assistant Director and Director roles and went ‘live’ in mid-October 2025; phase 2 covered heads of service and service managers and went live from 1 April 2026. Both phases entailed two strands of work.
- (i) the review and revision of staff structures and job titles and descriptions to ensure a consistent overall approach across all areas, and
 - (ii) responses to the emerging requirements of Local Government Reorganisation.
- 5.4.4 Benchmarking and best practice - Staff structures up to and including chief officers were reviewed against sectoral best practice and revised to secure operational improvements (through clearer line management, comparable job titles, consistent job descriptions). Where possible, short-term posts such as staff on Fixed Term Contracts or staff whose posts were grant funded were all included in the revised

organisational structure and moved to 'permanent' posts. This has the benefits of providing certainty to staff and managers, as well as removing a series of complex adjustments to pay data which were becoming unwieldy and difficult to control. The revised structures are clearer and make overall management of staff resources simpler.

- 5.4.5 Consultation with staff - 50% of staff responded to the consultation process through engagement with line managers or HR. Staff concerns included how new day-to-day arrangements were to be implemented as well as how specific changes to structures and post definitions could be made. Many staff welcomed the increased clarity they received as a result of job descriptions being brought up to date and the definitions of their roles being reviewed and clarified. Work was undertaken to address 'single points of failure' (staff who carried substantial responsibility or knowledge who were not directly supported) and so reduce risks of service disruption. Concerns about unclear or excessive workloads were also addressed through a structured review of expectations, including new regulatory requirements. External advisers commented that the positivity of staff engagement was notable – staff did raise concerns but also made proactive suggestions on how working arrangements could be improved.
- 5.4.6 Overall, staff received the proposed changes positively as they enabled uncertainties and risks to be addressed in a transparent and structured way. The process has contributed to building a relationship of trust between staff and managers in all areas.
- 5.4.7 Rebalancing staffing – At the start of the reorganisation process, a key objective was to increase staff who provide services to residents and to decrease the number of staff in senior managerial grades. The chart below shows that this objective has been achieved. Directors have been reduced by two from 10 to 8 (although if 2024/25 is also considered, the reduction is greater – from 12 to 8). Head of Service and Service Manager grades have remained largely the same. Senior and Junior officers have seen an increase of 20 Full-Time Equivalent (FTE) posts.

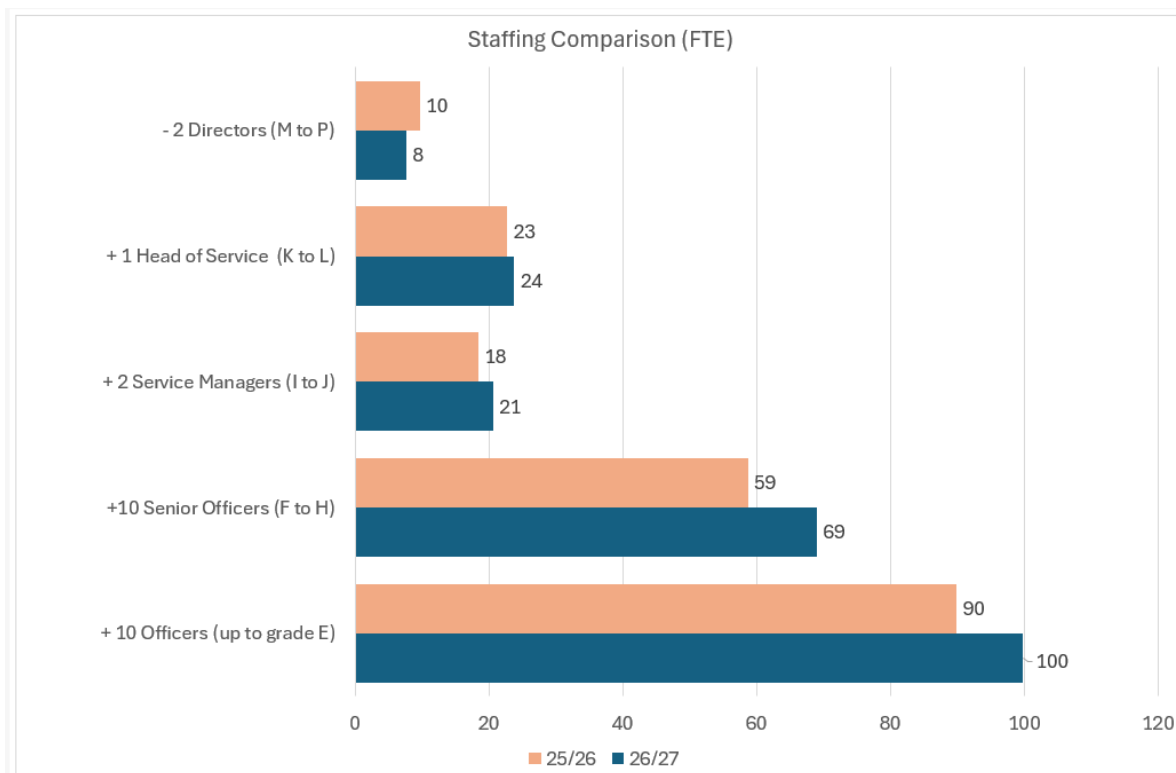


Figure 4 - comparison of staff full-time equivalents at April 2025 and April 2026

5.4.8 Recurrent savings – Base budget pay costs increased by £1.373m between February 2025 and February 2026 (when costs were calculated). Of this increase; £1.084m is funded from reserves to support posts identified as required through preparation for LGR (either to ensure MDC is wound-up in an orderly way, or to help with preparation for reorganisation itself), while a further £0.541m reflects the impact of pay inflation across all staff. This shows that the overall impact of the restructure undertaken as part of Transforming Together created a saving of £0.251m, offsetting other pressures arising from LGR.

	2025/26	2026/27	change
FTE	199	220	+21
Staffing budgets	11.891	12.431	+1.373
<i>Of which:</i>			
<i>inflation</i>			-0.541
<i>Short term posts funded via reserves (largely related to either additional work pre-LGR, or other preparatory work for LGR to be undertaken as part of 'business as usual activity')</i>			-1.084
Overall savings from restructure			-0.251

Figure 5 – recurrent budget savings arising from the staff restructure

5.4.9 Cost impacts - One-off support costs amount to £170k.

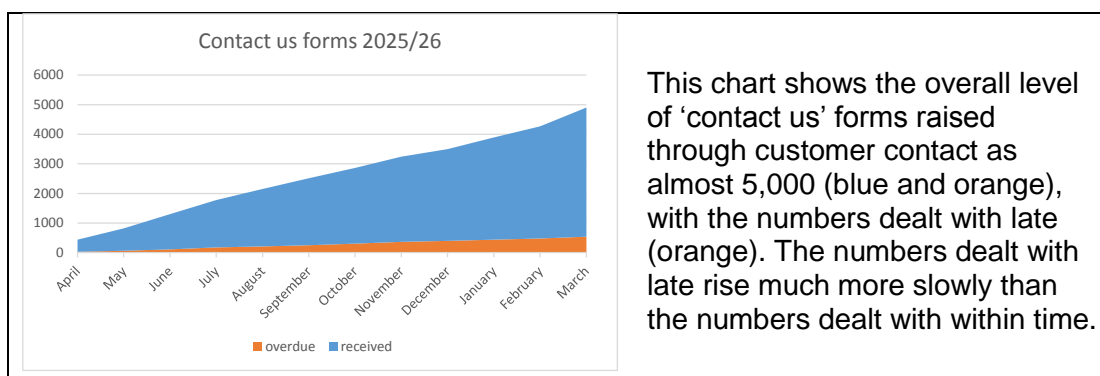
5.4.10 Severance costs:

- Redundancy total is £301,000. Redundancy costs are largely determined through standard contract terms.
- Pension strain total is £833,000. Pension strain costs are similarly determined by the terms of enrolment in the pension scheme (Local Government Pension Scheme (LGPS)).
- One-off costs have been funded through the use of reserves (see section 7.4).

5.4.11 It should be noted that the costs of this 'Transforming Together' programme is almost identical to the restructure undertaken seven years ago, in 2018/19 and 2019/20.

6. ACTIVITY LEVELS

6.1 The charts below are taken from data routinely collected within the Council. The charts provide background on some of the high-profile areas of activity. These activities are key drivers of overall costs.



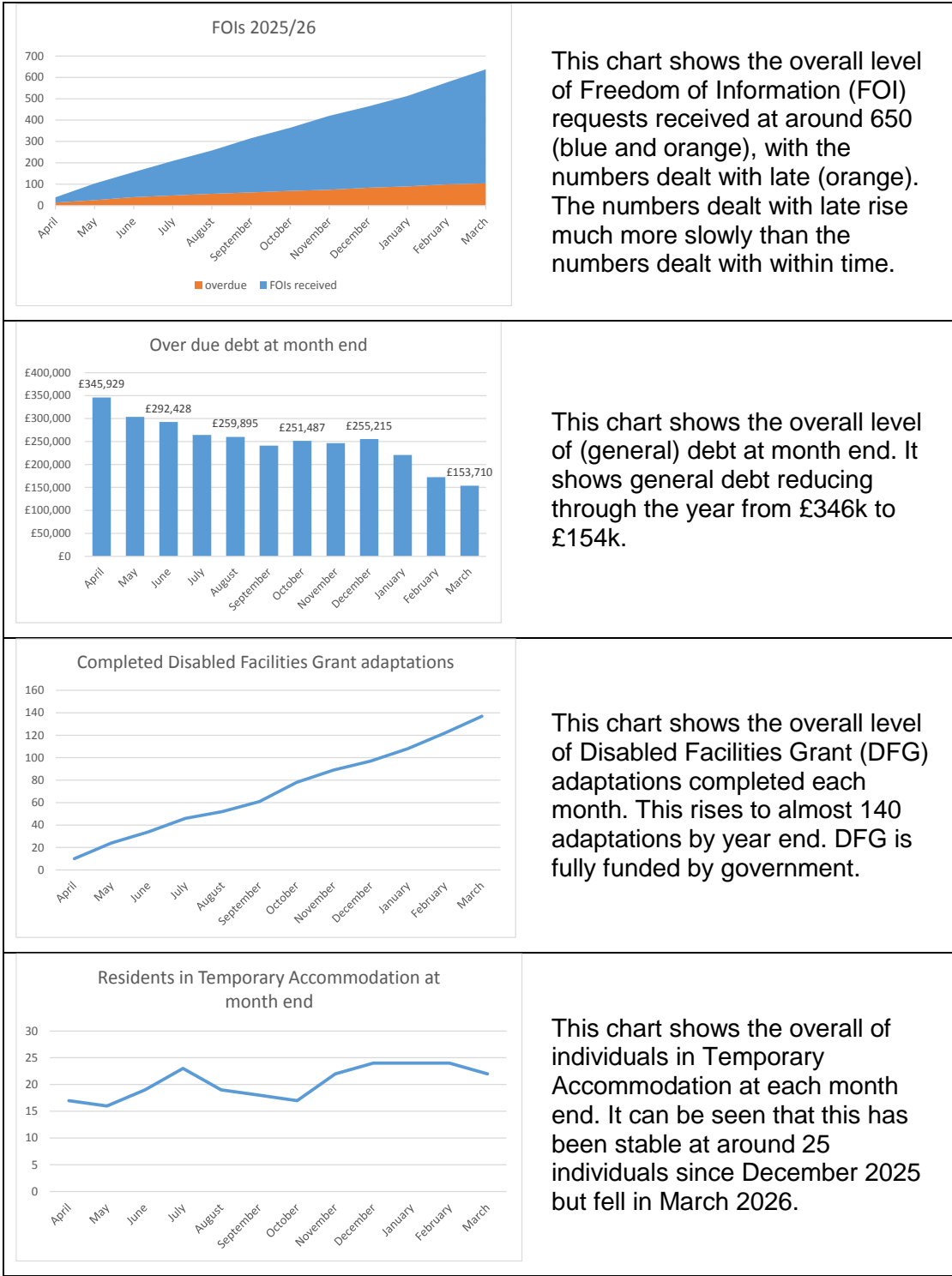


Figure 6 - activity data, 2025/26

7. CAPITAL BUDGET MONITORING – OUTTURN

7.1 The outturn for capital projects delivered within 2025/26 was £5.475m against the revised 2025/26 Capital programme of £6.980m. Within the total, the largest scheme was the investment in the Leisure Centre. This is continuing to be successfully delivered and will run across multiple years. As the investments are being made through Places Leisure as a third party, the Council has less control over the timing of delivery.

- 7.2 Where the Council retains control and is investing directly in its own assets, delivery was at the level of 93% of budget. Within the activities funded via the Disabled Facilities Grant, planned expenditure was exceeded by 26% (which is funded by government). The main project details can be found at **APPENDIX 2**.

Project	Budget (£)	Actual (£)	Balance (£)	%
Leisure Contract	£3.946m	£2,488m	(£1.458m)	60%
Disabled Facilities Grant	£539k	£680k	£141k	(26%)
Capital Programme	£2.495m	£2.307m	(£187k)	93%
Total	£6.980	£5.475	(£1.504)	78%

Figure 7 - analysis of capital programme delivery performance

- 7.3 Capital schemes completed in the year are listed below.

Projects delivered in 2025/26
Riverside Park Skate Park and Equipment - Budget £193k Actual £193k
West Maldon Cllr Shaughnessy Park - Budget £138k Actual £138k
Oaktree meadow Play site resurfacing and fencing - Budget £146k Actual £146k
Amphitheatre- Budget £79k Actual £79k
Maintenance team Vehicle – Budget £38k Total Spend £38k
Community Engagement vehicles Budget £36k Actual £36k
Parks Transit vehicle - Budget £35k Actual £35k
Scout Hut Brickhouse Farm - Budget £26k Actual £25k
99 Wood road – Community supermarket - Budget £20k Actual £20k
Demolition of Hythe Quay classroom - Budget £20k Actual £20k
BLC Roof Safety system - Budget £20k Actual £20k
Tractor Side Arm Flail - Budget £40k Actual £40k
REPF (Grant funded) Concession infrastructure Riverside park - Budget £18k Actual £21k
White horse lane resurfacing - Budget £112k Actual £107k
Ride on mower - Budget £35k Actual £31k
MDC Roads resurfacing - Budget £180k Actual £186k
Skate park prom - Budget £617k Actual £617k
Longfield's pathway resurfacing - Budget £65k Actual £66k
Leisure centre facilities - Budget £3.9m Actual £2.4m
Butt Lane resurfacing - Budget £138k Actual £121k
I.T PC Replacements - Budget £47k Actual £42k
Disabled Facilities Grants - Budget £539k Actual £680k
Replacement food waste bins - Budget £0k Actual £5k

Figure 8 - capital programme schemes delivered

7.4 Reserves

- 7.4.1 The recommended changes to reserves are summarised below and set out in **APPENDIX 3**. In summary, this includes application of £1.072m to revenue budgets,

£4.140m to fund the approved capital programme (in line with the capital and investment strategy), an overall net call on reserves of £5.053m.

7.4.2 Revenue contributions are chiefly related to one-off costs of staff restructure but also include other agreed use of reserves such as for the dredging of Hythe Quay.

7.4.3 Capital allocations are significantly driven by planned capital investment in Blackwater Leisure Centre.

Proposed use of reserves relating to Revenue Expenditure			
Area	Amount (£000s)	Reserve	Reasons
Budget 29 Jan	14,282		
Corporate Management	521	Transformation	Redundancy costs /pension strain relating to restructure
Corporate Management	260	General Fund	Redundancy costs /pension strain relating to restructure
Blackwater Leisure Centre	228	General Fund	Leisure contract costs in year 1
Rivers	39	Repairs and Renewals	Dredging costs at Hythe quay
Strategy and Resources	14	Transformation	Agency costs within Legal department
Strategy and Resources	9	Transformation	Agency costs within HR department
All proposed changes	1,072		
Revised Budget 31 March	15,354		
Proposed use of reserves relating to Capital Expenditure			
Area	Amount (£000s)	Reserve	Reasons
Capital projects 2025/26	1,052	General Fund	Capital expenditure in 2025/26
Capital projects 2025/26	1,904	Council Tax and Business Rates equalisation	Capital expenditure in 2025/26
Capital projects 2025/26	827	Other earmarked reserves (set out in Appendix 3)	Capital expenditure in 2025/26
Total	3,782		

Figure 9 - impact of proposed application of reserves to revenue budget and capital funding

7.5 General Fund Debtors

7.5.1 Outstanding debt for general fund activities as at 31 March was £383,811, as shown below. Of this total debt, 64% was 'current' i.e. within 30 days. 35% of debts were being actively pursued (£136,115).

Debt stage	Debt at 31 Mar 2026	
	£	
0-30 days (Current)	243,816	64%
31-40 days (Stage 1)	388	0%
41-54 days (Stage 2)	3,493	1%
55+ days (Stage 3)	136,115	35%
All debt at 31 March	383,811	100%

Figure 10 - general debt at 31 March 2026

7.5.2 The year end debt position has been reduced by 50% throughout the year, as a result of targeted work by officers. Where debts can be collected, work is undertaken to achieve that. Where debt is not collectible (e.g. due to bankruptcy or similar) debts can be written off. As a result in the reduction in debt through the year, the level of

provision of impaired or 'bad' debt can be reduced. This is a cash benefit of £81k for the Council.

- 7.5.3 Of the debt over 55 days old, £43,240 relates to account in credit (for over 55 days), amounts paid since 31 March or amounts where payment plans are now in place. £13,424 has been placed with collection agencies. £79,451 is reviewed by officers on a weekly basis to determine the best action to be taken.

Debt collection progress	55+ days
Account in credit	-15,924
Paid since 31 March	32,219
Payment plan agreed	26,945
With collection agency	13,424
Officer review	79,451
Total	136,115

Figure 11 - General debt over 55 days old at 31 March 2026

- 7.5.4 General debt written off by the Council to the end of March 2026 amounts to £46.4k. This 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').

7.6 Collection Fund

- 7.6.1 The Collection Fund holds all transactions relating to business rates and council tax. Billable amounts in 2025/26 totalled £79.7m. Some receipts arose relating to prior years (£1.1m). Of the amount billed in-year, 98% was collected. The impact on overall debt is marginal – debt reviews undertaken in the year led to uncollectible debt being reduced to a similar value to new debt incurred.
- 7.6.2 The strong collection rate (98%) and the stable debt position indicate good management of the collection fund.

£m	Council Tax	Business rates	Collection Fund
Total billable	61.962	17.781	79.743
In year receipts relating to prior years	0.898	0.224	1.122
Total collected relating to 2025/26	59.824	17.022	76.846
Collection rate 2025/26	98%	97%	98%
Debt			
Debt brought forward	3.323	1.253	4.576
In-year uncollected	1.453	0.551	2.004
Prior year changes	-1.302	-0.567	-1.869
Debt carried forward	3.474	1.237	4.711

Figure 12 - collection fund outturn position

8. CONCLUSION

- 8.1 This report provides the final (outturn) financial position for the Council for the period year to 31 March 2026 (Period 12). It highlights that operational expenditure budgets are being well managed within allocated budget limits. In some areas, income

received is exceeding previous expectations. This provides good assurance that the starting point for planning next year's budget is sound.

- 8.2 Debt due to the Council is held at a reasonable level with appropriate and proportionate action in place to secure unpaid debt where needed.
- 8.3 On Capital schemes there is very good performance for delivery, and they are being delivered largely within budget and time expectations. Delivery of some budgeted capital expenditure will be re-profiled into 2026/27.
- 8.4 Reserves are maintained at a robust level compared to likely requirements.

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

9.1 Delivering good quality services

- 9.1.1 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.

10. 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.

Enquiries to: Ben Jay, Director of Finance (Section 151).