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Interim Auditor's Annual Report for Maldon District Council

Year-ended 31 March 2026

12 November 2026

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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

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01

Executive Summary

Executive Summary

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Purpose of the Auditor's Annual Report

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2025-26 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:

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 2025/26 ('the CIPFA Code').

Other information (such as the narrative report) - To consider, whether based on our audit work, the other information in the Statement of Accounts is materially misstated or inconsistent with the financial statements or our audit 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	The Code of Audit Practice requires us to issue the Auditor's Annual Report no later than 30 November of each year. In order for us to comply with this requirement, we have issued this Auditor's Annual Report prior to the completion of our work in relation to the financial statements and other information. Consequently, we have not reached our conclusions in respect of these areas
Value for money	Our work to assess the arrangements the Maldon District Council has put in place to secure economy, efficiency, and effectiveness in the use of its resources is underway. Further details of our findings to date are set out on page 7.
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.
Other powers	See overleaf. Note that, as we are still performing our procedures in relation to the financial statements, we may choose to exercise our other powers in relation to the 2025-26 audit in the future

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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 significant recommendations related to Value for Money. We have raised performance improvement observations to Management.

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.

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Value for Money

Value for Money

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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 Councils 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

At the time of drafting this report, our work in relation to value for money is in progress. Below are the findings on the basis of work completed as of now:

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
Commentary page reference	8-10	11-13	14-15
Identified risks of significant weakness?	No	No	No
Actual significant weakness identified?	No	No	No
2025-26 Findings	No significant risks identified	No significant risks identified	No significant risk identified

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Value for Money

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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 continued to progress local government reorganisation through the English Devolution and Community Empowerment Act. The reforms are intended to establish larger unitary authorities and expand devolution arrangements through County Combined Authorities (CCAs). Following the conclusion of the statutory consultation process in March 2026, proposals were developed for a number of areas across England, with implementation originally expected from 1 April 2028. These changes have the potential to affect governance arrangements, financial planning, service delivery and future Value for Money considerations.

On 7 September 2026, the Government announced a review of the local government reorganisation programme following updated legal advice and to consider how the proposals align with wider plans for devolution and public sector reform. Decisions relating to some areas were withdrawn and proposals affecting other areas have been paused pending the outcome of the review. As a result, the timetable and scope of local government reorganisation remain subject to further Government decisions.

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 reported a £133k revenue underspend for 2025/26, supported by income over performance in several areas. This was achieved alongside significant restructuring activity, use of reserves and continuing medium-term financial pressures.

The capital programme delivered £5.476m of expenditure against a revised budget of £6.980m (78%). Delivery of projects directly controlled by the Council was stronger, achieving 93% of planned expenditure. The main reason for the overall underspend was the phased delivery of leisure centre works, with part of the expenditure now expected to be incurred during 2026/27.

The Council approved the use of £4.854m of reserves, comprising £1.072m to support revenue expenditure and £3.782m to fund capital investment, ensuring that strategic priorities, restructuring costs and capital projects were financed as planned.

In addition, the Council achieved a significant improvement in debt management, with reductions in outstanding debt resulting in an estimated cash benefit of £81k through lower bad debt provisions and improved collection performance

The Council tax collection rates are 97.7% vs budgeted 97.9% and Non-Domestic rates collection rates are 96.9% vs 98.3% budgeted.

Following the Government's decision in September 2026 to pause the Essex LGR programme, implementation activity ceased and the programme entered an organised closure process. The Council reported estimated programme costs of £78,000, with Maldon District Council's share expected to be approximately £26,000, subject to final confirmation. Management advised that these costs are not significant in the context of the Council's overall financial position. The Council has continued to provide Members with updates on developments and associated financial implications. Based on the information reviewed, we identified no significant weaknesses in arrangements during the year, although the Council continues to monitor the final cost allocation and any future implications arising from the Government's review of local government reorganisation.

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Financial Sustainability

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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 2025/26, the Council began the budget setting process in July 2024. 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 2025/26 Budget in February 2025; It is estimated that in 2025 / 26 there will be a net contribution from General Fund reserve balances of £0.120m.

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. Budgets are not formally signed off by service lines. For the 2025/26 year, each approved savings proposal had a RAG rating. 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. The Council has broadened the range of savings measures and continues to formally assess proposals through deliverability and impact ratings. However, the savings schedule still contains several proposals based on staffing reductions, budget reductions and service changes, and the evidence provided does not clearly demonstrate how individual savings proposals support delivery of Corporate Plan objectives. The Council has continued to apply RAG ratings to savings proposals and has enhanced the presentation of savings by categorising deliverability and impact. However, the evidence reviewed does not demonstrate that formal documented criteria have been established for determining Red, Amber or Green ratings. Consequently, there remains a risk that ratings are applied inconsistently and are subject to management judgement. We have raised a performance improvement observation related to this..

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 2025-28; 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.

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 11.

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Financial Sustainability

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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 25/26 Medium Term Financial Strategy for the three years to 2028/29 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 to fund service provision and would subsequently reach below the minimum general fund target by 2025/26. The Council's actual outturn for 2025/26,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.

Although the Council remained above its approved minimum General Fund balance at 31 March 2026, its medium-term forecasts indicate continued pressure on reserves. The Council will therefore need to deliver planned savings and keep its assumptions under regular review. We did not identify a significant weakness related to hitting the minimum reserve requirement.

Our review of the latest 2025/26 medium financial term strategy and revised sensitivity analysis indicates that the Council is still due to hit below it's 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 £8.5m as of March 2026 with no change in forecasted reserve.

Key financial and performance metrics:	2025-26	2024-25
Planned (surplus)/deficit on provision of services	£0.2m	£0.7m
Actual (surplus)/deficit on provision of services	£(0.4)m	£(1.3)m
Usable reserves	£42.8m	£35.8m
Year-end borrowings	£0m	£0m
Year-end cash position	£11.8m	£14.6m

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

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.

Budget outturn

The final revenue outturn as at 31 March 2026 is £0.133m under budget (0.9 %), with strong income performance in a number of operational areas. The capital outturn as at 31 March 2026 with the 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. The application of reserves in the value of £4.854m, including £1.072m to revenue budgets and £3.782m of capital funding. The improved general fund debt position and the cash benefit of £81k arising.

Conclusion

The Council reported a £0.133m revenue underspend for 2025/26 and remained above its approved minimum General Fund balance at 31 March 2026. However, its medium-term forecasts indicate continued pressure on reserves, requiring the Council to deliver planned savings and keep its financial assumptions under regular review. We identified opportunities to strengthen the assessment and monitoring of savings proposals, including clearer criteria for RAG ratings and their alignment with Corporate Plan objectives. While we have raised a performance improvement observation in this area, we did not identify a significant weakness in the Council's arrangements for financial sustainability.

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Governance

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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 it's 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 2025/26 financial plan

The draft budget for 2025/26 was presented to the Strategy and Resources Committee in January 2025, and the Council formally approved the budget in February 2025.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 2025/26, overspends were limited and there were no material adverse variances. An outturn report was presented in July 2026 to the Strategy and Resources Committee, which detailed the key variances from thebudget.

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Governance

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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. Our review identified that a number of policies of Council had not been reviewed for several years, and review dates, changes made and future review requirements were not consistently documented. We recommended that the Council introduce a standardised approach to policy management, including defined review cycles, clear version and change records, and a central register to support regular monitoring and ensure policies remain current. We have raised the performance improvement observation related to this matter.

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 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 2025/26 financial statements for audit in June 2026. The accounts were advertised and published in line with these regulations.

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 2025/26 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 public review.

Key decisions

During 2025/26, the Council progressed significant strategic decisions relating to Local Government Reorganisation (LGR), Leisure Services and the Transforming Together organisational restructure. Preparations for LGR included a £500k earmarked reserve and £1.084 million of reserve-funded staffing, while £2.5 million was invested in leisure centres during the year. The organisational restructure is expected to deliver £251k of recurring annual savings, although it required significant one-off redundancy, pension and implementation costs funded from reserves. These decisions and their financial implications were considered and monitored through the Council's established governance arrangements.

We have raised the performance improvement observation related to the Council's Minimum Revenue Provision (MRP) policy which does not fully reflect its current capital financing arrangements, including the use of internal borrowing to fund capital expenditure. With further investment planned in the Council's leisure centres, the level of internal borrowing is expected to increase. The Council should therefore review its MRP policy to ensure it appropriately reflects its capital financing arrangements and associated financial implications.

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Governance

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Local Government reorganisation

The Council continued to work with other Mid Essex authorities to progress the Local Government Reorganisation proposals following the Government's earlier preference for a five-unitary model. This included participation in service-specific officer working groups, programme mobilisation and planning, Member engagement, data preparation and support from the Mid Essex Project Management Office. Governance and oversight were provided through the Mid Essex Programme Board, including oversight of programme activity and the allocation of costs between participating councils. Following the Government's decision in September 2026 to withdraw the preferred model and pause the reorganisation, the programme moved into an organised closure, with the Council continuing to monitor developments and assess the implications for Maldon. We reviewed the governance processes in place which the Council has been actively engaged with the process including communication & oversight internally, weekly update meetings, briefings to staff & reflection on the risk register and profiles of the wider Council within the context of LGR.

Conclusion

We reviewed the Council's key governance arrangements, including its Constitution, decision-making and risk-management frameworks, committee reporting, counter-fraud arrangements and relevant governance policies. We found that responsibilities and escalation arrangements were clearly established, with financial and strategic risks subject to appropriate officer and member oversight. We also considered relevant Internal Audit and external regulatory information. We identified that some governance policies did not have sufficiently clear version-control and review arrangements, and the related prior-year recommendation had not been fully addressed. While this does not represent a significant weakness, the Council should complete its planned policy review and establish a consistent review cycle. Overall, we did not identify any significant weaknesses in the Council's governance arrangements.

	2025/26	2024-25
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

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Improving economy, efficiency and effectiveness

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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.

Corporate plan and performance reporting

The Council's Corporate Plan covers the period from 2025-28 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.

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 organizations 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.

Procurement

During 2025/26, the Council completed the first year of its new Leisure Services contract and continued investment in Blackwater Leisure Centre. The Council reported good membership performance, financial performance in line with contract projections, and established contract management arrangements, including operational monitoring and member oversight. The Council invested £2.5 million against a revised leisure centre capital budget of £3.9 million, with delivery continuing into 2026/27 due to the phasing of works. The Council also used £228k of reserves to support first-year contract costs. Given the scale of investment and delivery through a third-party provider, the council will have continued monitoring of contract performance and capital delivery of the project.

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Improving economy, efficiency and effectiveness

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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.

We identified that the Council does not have a formal process in place to review, monitor, or approve tender waivers. As a result, there is limited oversight of procurement exceptions, increasing the risk that waivers are applied inconsistently, are not subject to appropriate challenge, or do not provide sufficient assurance that value for money considerations have been appropriately assessed. The absence of a formal approval and monitoring framework may reduce transparency and weaken governance over procurement decisions. We have raised the performance improvement observation related to this matter.

Conclusion:

We did not identify a significant weakness in arrangements for improving economy, efficiency and effectiveness.

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