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Council Chamber 01621 859677

CHIEF EXECUTIVE'S OFFICE
CHIEF EXECUTIVE
Fiona Marshall

14 March 2018

Dear Councillor

You are summoned to attend the;

MEETING OF THE MALDON DISTRICT COUNCIL

on **THURSDAY 22 MARCH 2018 at 7.30 pm.**

in the Council Chamber. Maldon District Council Offices, Princes Road, Maldon.

A copy of the agenda is attached.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'F. R. Marshall', enclosed within a circular blue ink stamp.

Chief Executive

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AGENDA COUNCIL

THURSDAY 22 MARCH 2018

1. **Chairman's notices**
2. **Apologies for absence**
3. **Declarations of Interest**

To disclose the existence and nature of any Disclosable Pecuniary Interests, other Pecuniary Interests or Non-Pecuniary Interests relating to items of business on the agenda having regard to paragraphs 6 - 8 inclusive of the Code of Conduct for Members.

(Members are reminded that they are also required to disclose any such interests as soon as they become aware should the need arise throughout the meeting).

4. **Minutes - 8 February 2018** (Pages 7 - 28)

To confirm the Minutes of the meeting of the Council held on 8 February 2018 (copy enclosed).

5. **Public Questions**

To receive questions from members of the public, of which prior notification in writing has been received (no later than noon on the Tuesday prior to the day of the meeting).

6. **Chairman's Announcements**

7. **Minute Book** (Pages 29 - 134)

To consider the Minutes of the under mentioned Committees (copy enclosed).

* Please note that where Minutes contain recommendations to the Council the Minute references for these recommendations are listed below for Members' information.

Overview and Scrutiny Committee	14 February 2018	Pages 29 - 37
Finance and Corporate Services Committee*	6 March 2018	Pages 39 - 134
<ul style="list-style-type: none">Minute No. 868 – Pay Policy Statement		(Pages 40 and 41)
<ul style="list-style-type: none">Minute No. 869 – Treasury Management and Annual Investment Strategy 2018 / 19		(Page 41)
<ul style="list-style-type: none">Minute No. 870 – Financial Services Policy – Mileage and Expenses		(Page 42)
<ul style="list-style-type: none">Minute No. 871 – Information and Data Security Policies		(Page 42)

<ul style="list-style-type: none"> Minute No. 872 – Data Protection Policy 2018 Minute No. 873 – Information Security Incident Reporting and Data Breach Management Policy 	(Pages 42 and 43) (Page 43)
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Planning and Licensing Committee - special meeting	8 March 2018	Copy to follow
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8. **Minutes of Meetings of Committees**

To note that since the last meeting of the Council, up until Wednesday 14 March 2018 (Council agenda dispatch) the following Committees have met, and to receive any questions in accordance with Council and Committee Procedure Rule 6 (2).

Minutes published:

North Western Area Planning Committee	5 February 2018
South Eastern Area Planning Committee	12 February 2018
Overview and Scrutiny Committee	14 February 2018
Central Area Planning Committee	21 February 2018

Minutes NOT finalised for publication:

Joint Standards Committee	22 February 2018
North Western Area Planning Committee	5 March 2018
South Eastern Area Planning Committee	12 March 2018

9. **Questions in accordance with Procedure Rule 6 (3) of which notice has been given**

10. **Implementation of the Garden Suburbs** (Pages 135 - 142)

To consider the report of the Director of Planning and Regulatory Services (copy enclosed).

11. **Schedule of Meetings 2017 / 18**

To consider the following revision to the 2018 / 19 Schedule of Meetings:

- Change of Date:
Extraordinary meeting of the Council (planning) incorrectly scheduled for Tuesday 5 June 2018 to be changed to Thursday 5 July 2018.

12. **Questions to the Leader of the Council in accordance with Procedure Rule 1 (3) (m)**

13. **Business by reason of special circumstances considered by the Chairman to be urgent.**

NOTICES

Sound Recording of Meeting

Please note that the Council will be recording any part of this meeting held in open session for subsequent publication on the Council's website. At the start of the meeting an announcement will be made about the sound recording. Members of the public attending the meeting with a view to speaking are deemed to be giving permission to be included in the recording.

Fire

In event of a fire, a siren will sound. Please use the fire exits marked with the green running man. The fire assembly point is outside the main entrance to the Council Offices. Please gather there and await further instruction.

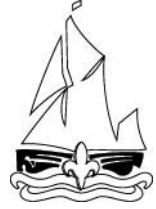
Health and Safety

Please be advised of the different levels of flooring within the Council Chamber. There are steps behind the main horseshoe as well as to the side of the room.

Closed-Circuit Television (CCTV)

This meeting is being monitored and recorded by CCTV.

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**MINUTES of
COUNCIL
8 FEBRUARY 2018**

PRESENT

Chairman Councillor H M Bass

Vice-Chairman Councillor N R Pudney

Councillors Mrs B F Acevedo, J P F Archer, B S Beale MBE,
R G Boyce MBE, A T Cain, Mrs P A Channer, CC,
R P F Dewick, I E Dobson, M F L Durham, CC,
Mrs H E Elliott, A S Fluker, Mrs B D Harker, B E Harker,
M S Heard, M W Helm, R Pratt, CC, S J Savage,
Mrs N G F Shaughnessy, Rev. A E J Shrimpton, D M Sismey,
A K M St. Joseph, Mrs M E Thompson and Miss S White

797. CHAIRMAN'S NOTICES

The Chairman referred to the notices shown on the agenda.

798. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors E L Bamford, Miss A M Beale and M R Pearlman.

799. MINUTES - 14 DECEMBER 2017

RESOLVED

- (i) that the Minutes of the extraordinary Council meeting on 14 December 2018 be received.

Minute 686 – Disclosure of Interests

Councillor Mrs P A Channer advised that her declaration of interest should refer to Bradwell Legacy Partnership and not the LCLC (Local Communities Liaison Committee).

RESOLVED

- (ii) that subject to the amendment, the Minutes of the extraordinary Council meeting on 14 December 2018 be adopted.

800. MINUTES - 21 DECEMBER 2017

RESOLVED that the Minutes of the Council meeting held on 21 December 2017 be received and adopted.

801. DECLARATIONS OF INTEREST

Councillor N R Pudney declared a non-pecuniary interest in Agenda Item 16 – Llys Helig Update as he sat on the Crouch Harbour Authority Advisory Committee on behalf of Burnham-on-Crouch Town Council and would leave the chamber for this item of business.

Councillor M F L Durham declared a non-pecuniary interest as a Member of Essex County Council in any matters pertinent to that Authority.

Councillor Mrs P A Channer declared a non-pecuniary interest as a Member of Essex County Council in any matters pertinent to them. She also declared an interest in Agenda Item 18 – Llys Helig Update as a Member of the Crouch Harbour Advisory Committee and advised that she would be leaving the chamber for this item of business.

Councillor R Pratt declared a non-pecuniary interest as a Member of Essex County Council in any matters pertinent to them.

802. PUBLIC QUESTIONS

There were none.

803. CHAIRMAN'S ANNOUNCEMENTS

The Chairman advised that he had attended a number of events which are detailed below and thanked the Vice-Chairman for attending events on his behalf.

11/01/2018	Visit to Chigborough Fisheries and Smokehouse
17/01/2018	Wicks Manor Pork/Shaken Udder
19/01/2018	ECC Civic Dinner
23/01/2018	Visit to the John the Baptist Monastery, Tolleshunt Knights
24/01/2018	Official opening of the refurbished dryside changing room, Blackwater Leisure Centre
24/01/2018	Visit to Lion Seeds
26/01/2018	Launch of Livewell Website
26/01/2018	Holocaust Memorial Day, Rayleigh
31/01/2018	BOC Chamber of Commerce Apprenticeship Event
02/02/2018	Essex Wing Air Training Corps Presentation

06/02/2018	Little Totham Parish Council
08/02/2018	Visit to St Cedd's CofE School

804. MINUTE BOOK

(a) MINUTES OF COMMUNITY SERVICES COMMITTEE – 16 JANUARY 2018

RESOLVED that with the exception of Minute 742, the Minutes of the meeting of the Community Services Committee held on 16 January 2018 be adopted.

(b) MINUTES OF PLANNING AND LICENSING COMMITTEE – 25 JANUARY 2018

RESOLVED

Minute 762 – Local Development Scheme 2018

In response to a question it was agreed that Councillor Mrs P A Channer, Chairman of the Planning and Licensing Committee would check whether the reduction of affordable homes in favour of the recreational fee was discussed by the Committee at this meeting and report back to Members.

RESOLVED

- (i) That paragraph 26 of the Local Development Scheme (attached as Appendix 1 to the Minutes of the Planning and Licensing Committee) be amended to include reference to the Maldon District Council and the first column of the table relating to Masterplans and Design Codes be amended to read 'Title of document';
- (ii) That subject to (i) above, the Local Development Scheme be approved as the project plan for key planning policy documents over the next 12 months.

RESOLVED

- (iii) that subject to the above decision, the Minutes of the meeting of the Planning and Licensing Committee held on 16 January 2018 be adopted.

(c) MINUTES OF FINANCE AND CORPORATE SERVICES COMMITTEE – 30 JANUARY 2018

Minute 777 – Document Retention Policy

RESOLVED

- (i) that the Document Retention Policy, attached as Appendix 1 to the Minutes of the Finance and Corporate Services Committee, be agreed.

Minute 778 – Annual Report on the Whistleblowing Policy

RESOLVED

- (ii) that the updated Whistleblowing Policy and Procedure, attached as Appendix 2 to the Minutes of the Finance and Corporate Services Committee, be approved and adopted.

RESOLVED

- (iii) that subject to the above decisions and with the exception of Minutes 779, 780, 781 and 785, the Minutes of the meeting of the Finance and Corporate Services Committee held on 30 January 2018 be adopted.

805. RECOMMENDATION OF THE JOINT STANDARDS COMMITTEE FOR DECISION BY THE COUNCIL

The Council considered the report of the Chief Executive presenting a recommendation of the Joint Standards Committee to the Council.

RESOLVED that the Council approves the Conduct Complaints Process Summary, attached as Appendix 1 to the report, and adopts it as part of the Council's constitutional documentation in place of the Complaints Process Flowcharts.

806. MINUTES OF MEETINGS OF COMMITTEES

The Chairman advised that the Minutes of the Overview and Scrutiny Committee held on 4 October 2017 should have been shown on the list of Committees. This was noted.

The Council noted the list of Committees that had met before and since the last meeting of the Council, up until Wednesday 31 January 2018.

807. 2018 / 19 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY

The Council considered the reports of the Director of Resources on the recommendations of the Finance and Corporate Services Committee at its meeting on 30 January 2018 relating to the revenue budget and the proposed level of Council Tax for 2018 / 19.

The Leader of the Council made a Budget speech (attached at **APPENDIX 1** to these Minutes).

Councillor D M Sismey, Chairman of the Finance and Corporate Services Committee in seconding the Leaders' proposition and budget proposals referred to this being another prudent budget with a sub-inflationary increase in council tax and no rise to car parking charges. He referred to how the Council had provided prudent budgets over several years and attributed this to sensible policies along with the hard work of officers. Councillor Sismey commented that the 2018 / 19 budget would require hard work and careful management and then commended the budget to the Council.

In response to the Budget Speech, the Leader of the Opposition, Councillor B S Beale, thanked the Leader of the Council for providing him with a copy of his speech in advance. He commented on the future faced by local government and how changes in government shift regarding finances would impact Councils like Maldon and its already dwindling reserves. Councillor Beale concluded by referring to the need for prudent budgeting which would mean restrictive budgets and the Council had to accept that this budget was not going to be easy.

In response, the Leader of the Council advised that the news headlines today had highlighted how 93% of Local Authorities had to increase Council Tax. He referred to the huge pressure on local government finances and the increasing demand at all levels on services being provided. The Leader advised that the Chief Executive and Corporate Leadership Team had been instructed to produce budgets for the next two financial years which would not draw down on reserves. To facilitate this, the Council would be embarking on a major analysis of how it operates from the ground up in order to achieve savings and where possible maintain services to the public.

At this point Councillor R G Boyce gave notice that he wished to speak on the Capital Programme for 2018 / 19.

808. DISCRETIONARY FEES AND CHARGES 2018 / 19

The Council considered the report of the Director of Resources seeking Members' approval of the fees and charges of the Council (attached as Appendix 1 to the report) which were then included in the 2018 / 19 budget. It was noted that the proposed 2018 / 19 fees and charges (that generate >£2,000) had been considered by the Finance and Corporate Services (F&CS) Committee on 30 January 2018 and the Committee's recommendation was set out in the report.

It was noted that the proposed fees and charges for 2018 / 19 had been based on the policy decisions recently updated and agreed by the Finance and Corporate Services Committee. The report detailed the budgets for income generated from fees and charges and highlighted three changes:

- New policy to charge for refuse and recycling bins for new housing developments;
- New fee relating to the administration of Parish Council elections and neighbourhood referendums;
- New fee relating to residential moorings.

RESOLVED that the detailed Fees and Charges for 2018 / 19 be agreed.

809. REVISED 2017 / 18 AND ORIGINAL 2018 / 19 BUDGET ESTIMATES AND COUNCIL TAX 2018 / 19

Councillor D M Sismey, Chairman of the Finance and Corporate Services Committee, put the recommendations as set out in the report.

Councillor R G Boyce spoke in relation to Capital Projects and specifically the project relating to a Memorial to Celebrate 100 years of the end of the First World War. It was noted that this Project had been removed from the Capital Programme by the Finance and Corporate Services Committee. Councillor Boyce requested that the Community Services Committee receive a report at its next meeting on this project detailing possible outside funding. He further requested that the Council consider that if funding was identified the Community Services Committee be allowed to come back and request a supplementary capital estimate.

In response, Councillor Sismey outlined the reasons behind the Finance and Corporate Services Committee's removal of the project to explore financing options.

Councillor I E Dobson seconded the proposal of Councillor Sismey.

Following on from the Leaders' speech and in accordance with Procedure Rule No. 13 (5) the Chairman informed the Council that there would need to be a recorded vote on any decision relating to the budget, including the setting of Council tax and levying a precept.

For the recommendation:

Councillor J P F Archer, H M Bass, Miss A M Beale, B S Beale, R G Boyce, A T Cain, Mrs P A Channer, R P F Dewick, I E Dobson, M F L Durham, Mrs H E Elliott, A S Fluker, Mrs B D Harker, B E Harker, M S Heard, M W Helm, R Pratt, N R Pudney, S J Savage, Mrs N G F Shaughnessy, Rev. A E J Shrimpton, D M Sismey, A K M St. Joseph, Mrs M E Thompson and Miss S White.

Against the recommendation: None.

Abstention: None.

The recommendations were duly agreed.

RESOLVED

- (i) That the Summary Revised 2017 / 18 and Original 2018 / 19 General Fund Revenue Budget Estimates (Appendices 1 – 3 of the report) be approved;
- (ii) that an average Band D council tax of £192.97 (excluding parish precepts) (2.99% increase) for 2018 / 19 (Appendix 1 to the report) be approved;
- (iii) that the policies on the designated use of financial reserves (as set out in Appendix 5 to the report) be approved;
- (iv) that an increase in the minimum general fund working balance from £2,500,000 to £2,600,000 for 2018 / 19 be approved;
- (v) that the Capital Programme for 2018 / 19 to 2021 / 22 (Appendix 8 to the report), be approved;
- (vi) that the Council gives due regard to the Director of Resources statement on the robustness of budgets and adequacy of reserves in Appendix 9 to the report.

810. COUNCIL TAX 2018 / 19

The Council considered the report of the Director of Resources setting out the total amount to be raised from Council Tax for the forthcoming year. This was known as the Council Tax precept (Council Tax Requirement) for Maldon District Council and formed part of the funding that supported the services provided by the Council.

The Director of Resources advised that this report took into account the precepts for the whole of the District and legislation set out the way that the resolution should occur.

The Chairman informed the Council that in accordance with Procedure Rule 13 (5) this decision required a recorded vote. The Chairman put the recommendations as set out in the report with the minor amendments as outlined by the Director of Resources to the Council and the voting was as follows:

For the recommendation:

Councillor J P F Archer, H M Bass, Miss A M Beale, B S Beale, R G Boyce, A T Cain, Mrs P A Channer, R P F Dewick, I E Dobson, M F L Durham, Mrs H E Elliott, A S Fluker, Mrs B D Harker, B E Harker, M S Heard, M W Helm, R Pratt, N R Pudney, S J Savage, Mrs N G F Shaughnessy, Rev. A E J Shrimpton, D M Sismey, A K M St. Joseph, Mrs M E Thompson and Miss S White.

Against the recommendation: None.

Abstention: None.

The recommendations were therefore agreed.

RESOLVED

- (i) that Maldon District Council's Council Tax Requirement for 2018 / 19 is set at £4,668,517;
- (ii) that the Maldon District Council's Band D Council Tax (excluding Parish precepts) is set at £192.97, reflecting an increase of £5.60, all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended;
- (iii) that the precept demands and level of Band D Council Tax of the Essex County Council, the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority for both Police and Fire, and the various Parish Councils within the District be determined as set out in the report, all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended;
- (iv) that it be noted that at its meeting on 21 December 2017 the Council calculated its Council Tax Base for the year 2018 / 19:
 - (a) for the whole district as 24,193.2 [Item T in the formula in Section 31B of the Local Government Finance Act 1992 (the Act), as amended by the Localism Act 2011; and

- (b) for dwellings in those parts of its district to which a Parish precept relates as listed below:

Althorne	515.7
Asheldham	61.9
Bradwell-on-Sea	339.0
Burnham-on-Crouch	3,041.7
Cold Norton	487.3
Dengie	49.2
Goldhanger	297.5
Great Braxted	171.9
Great Totham	1,254.6
Hazeleigh	55.8
Heybridge	2,875.9
Langford	83.8
Latchingdon	422.4
Little Braxted	84.0
Little Totham	194.7
Maldon	5,211.9
Mayland	1,484.2
Mundon	143.4
North Fambridge	396.1
Purleigh	556.2
Southminster	1,515.5
St. Lawrence	590.6
Steeple	193.9
Stow Maries	83.0
Tillingham	400.2
Tollesbury	992.5
Tolleshunt D'arcy	430.9
Tolleshunt Knights	409.9
Tolleshunt Major	272.8
Ulting	67.4
Wickham Bishops	987.3
Woodham Mortimer	252.6
Woodham Walter	269.4
	24,193.2

- (v) that the Council Tax Requirement for the Council's own purposes for 2017 / 18 (excluding Parish precepts) is £4,668,517;
- (vi) that the following amounts be calculated by the Council for the year 2017 / 18 in accordance with new Sections 31 to 36 of the Act:
- (a) £31,869,803 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act, taking into account all precepts issued to it by Parish Councils (**i.e. gross expenditure including Parish precepts**)

- (b) £25,765,726 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act **(i.e. gross income including government grants)**
- (c) £6,104,077 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax Requirement for the year (Item R in the formula in Section 31B of the Act) **(i.e. Council Tax Requirement including Parish precepts)**.
- (d) £252.31 being the amount at 3(c) above (Item R) divided by the amount at 1(a) above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year **(i.e. average Band D Council Tax including Parish precepts)**
- (e) £1,435,560 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act **(i.e. Parish Council precepts)**
- (f) £192.97 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates **(i.e. District Council Band D Council Tax excluding Parish precepts)**.
- (g) Basic Amount of Council Tax by Parish 2018 / 19

Town / Parish	Local Precept £	Town/Parish Band D £	District + Town/Parish Band D £
Althorne	18,000.00	34.90	227.87
Asheldham	3,183.59	51.43	244.40
Bradwell-on-Sea	17,000.00	50.15	243.12
Burnham-on-Crouch	188,000.00	61.81	254.78
Cold Norton	27,000.00	55.41	248.38
Dengie	2,530.41	51.43	244.40
Goldhanger	13,200.00	44.37	237.34
Great Braxted	6,000.00	34.90	227.87
Great Totham	19,271.00	15.36	208.33
Hazeleigh	696.96	12.49	205.46
Heybridge	222,000.00	77.19	270.16
Langford	4,530.00	54.06	247.03
Latchingdon	43,000.00	101.80	294.77
Little Braxted	3,274.00	38.98	231.95
Little Totham	6,500.00	33.38	226.35
Maldon	350,549.00	67.26	260.23

Town / Parish	Local Precept £	Town/Parish Band D £	District + Town/Parish Band D £
Mayland	97,310.00	65.56	258.53
Mundon	4,500.00	31.38	224.35
North Fambridge	14,700.00	37.11	230.08
Purleigh	40,000.00	71.92	264.89
Southminster	127,680.00	84.25	277.22
St. Lawrence	21,945.00	37.16	230.13
Steeple	6,000.00	30.94	223.91
Stow Maries	6,500.00	78.31	271.28
Tillingham	35,000.00	87.46	280.43
Tollesbury	83,469.00	84.10	277.07
Tolleshunt D'arcy	19,223.00	44.61	237.58
Tolleshunt Knights	9,000.00	21.96	214.93
Tolleshunt Major	8,400.00	30.79	223.76
Ulting	3,120.00	46.29	239.26
Wickham Bishops	15,222.00	15.42	208.39
Woodham Mortimer	3,155.04	12.49	205.46
Woodham Walter	15,601.00	57.91	250.88

being the amounts given by adding to the amount at 3(f) above, the amounts of the special item or items relating to dwellings in those parts of the Councils area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) Calculation of Basic Amounts of Council Tax by Parish for Different Valuation Bands

PARISH	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Althorne	151.92	177.23	202.55	227.87	278.51	329.14	379.79	455.74
Asheldham	162.94	190.09	217.25	244.40	298.71	353.02	407.34	488.80
Bradwell-on-Sea	162.08	189.10	216.11	243.12	297.14	351.17	405.20	486.24
Burnham-on-Crouch	169.86	198.16	226.47	254.78	311.40	368.01	424.64	509.56
Cold Norton	165.59	193.19	220.78	248.38	303.57	358.77	413.97	496.76
Dengie	162.94	190.09	217.25	244.40	298.71	353.02	407.34	488.80
Goldhanger	158.23	184.60	210.97	237.34	290.08	342.82	395.57	474.68
Great Braxted	151.92	177.23	202.55	227.87	278.51	329.14	379.79	455.74
Great Totham	138.89	162.04	185.18	208.33	254.62	300.92	347.22	416.66
Hazeleigh	136.98	159.80	182.63	205.46	251.12	296.77	342.44	410.92
Heybridge	180.11	210.13	240.14	270.16	330.19	390.23	450.27	540.32
Langford	164.69	192.14	219.58	247.03	301.92	356.82	411.72	494.06
Latchingdon	196.52	229.27	262.02	294.77	360.27	425.77	491.29	589.54
Little Braxted	154.64	180.41	206.18	231.95	283.49	335.03	386.59	463.90
Little Totham	150.90	176.05	201.20	226.35	276.65	326.95	377.25	452.70

PARISH	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Maldon	173.49	202.40	231.32	260.23	318.06	375.88	433.72	520.46
Mayland	172.36	201.08	229.81	258.53	315.98	373.43	430.89	517.06
Mundon	149.57	174.50	199.42	224.35	274.20	324.06	373.92	448.70
North Fambridge	153.39	178.95	204.52	230.08	281.21	332.33	383.47	460.16
Purleigh	176.60	206.03	235.46	264.89	323.75	382.61	441.49	529.78
Southminster	184.82	215.62	246.42	277.22	338.82	400.42	462.04	554.44
St. Lawrence	153.42	178.99	204.56	230.13	281.27	332.41	383.55	460.26
Steeple	149.28	174.15	199.03	223.91	273.67	323.42	373.19	447.82
Stow Maries	180.86	211.00	241.14	271.28	331.56	391.84	452.14	542.56
Tillingham	186.96	218.11	249.27	280.43	342.75	405.06	467.39	560.86
Tollesbury	184.72	215.50	246.29	277.07	338.64	400.21	461.79	554.14
Tolleshunt D'arcy	158.39	184.79	211.18	237.58	290.37	343.17	395.97	475.16
Tolleshunt Knights	143.29	167.17	191.05	214.93	262.69	310.45	358.22	429.86
Tolleshunt Major	149.18	174.04	198.90	223.76	273.48	323.20	372.94	447.52
Ulting	159.51	186.09	212.68	239.26	292.43	345.59	398.77	478.52
Wickham Bishops	138.93	162.08	185.24	208.39	254.70	301.00	347.32	416.78
Woodham Mortimer	136.98	159.80	182.63	205.46	251.12	296.77	342.44	410.92
Woodham Walter	167.26	195.13	223.01	250.88	306.63	362.38	418.14	501.76

being the amounts given by multiplying the amounts at 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band, divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year, in respect of categories of dwellings listed in different valuation bands.

- (vii) That it be noted for the year 2018/19 the major precepting authorities have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below:

Precepting Authority	Valuation Bands			
Essex County Council	A	£814.50	E	£1,493.25
	B	£950.25	F	£1,764.75
	C	£1,086.00	G	£2,036.25
	D	£1,221.75	H	£2,443.50
Essex Police, Fire and Crime Commissioner Fire and Rescue Authority	A	£112.68	E	£206.58
	B	£131.46	F	£244.14
	C	£150.24	G	£281.70
	D	£169.02	H	£338.04
Essex Fire Authority	A	£46.92	E	£86.02
	B	£54.74	F	£101.66
	C	£62.56	G	£117.30
	D	£70.38	H	£140.76

- (viii) that, having calculated the aggregate in each case of the amounts at (vi)(h) and (vii) above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the year 2018 / 19 for each part of its area and for each of the categories of dwelling shown in Table A below;

TABLE A (DRAFT subject to final confirmation of precepts)

2018/2019 COUNCIL TAX CHARGES BY PRECEPTING AUTHORITY								
Authority	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Essex County	814.50	950.25	1,086.00	1,221.75	1,493.25	1,764.75	2,036.25	2,443.50
Essex Police	112.68	131.46	150.24	169.02	206.58	244.14	281.70	338.04
Essex Fire	46.92	54.74	62.56	70.38	86.02	101.66	117.30	140.76
Maldon District	128.65	150.09	171.53	192.97	235.85	278.73	321.62	385.94
Althorne	1,126.02	1,313.68	1,501.35	1,689.02	2,064.36	2,439.69	2,815.04	3,378.04
Asheldham	1,137.04	1,326.54	1,516.05	1,705.55	2,084.56	2,463.57	2,842.59	3,411.10
Bradwell-on-Sea	1,136.18	1,325.55	1,514.91	1,704.27	2,082.99	2,461.72	2,840.45	3,408.54
Burnham-on-Crouch	1,143.96	1,334.61	1,525.27	1,715.93	2,097.25	2,478.56	2,859.89	3,431.86
Cold Norton	1,139.69	1,329.64	1,519.58	1,709.53	2,089.42	2,469.32	2,849.22	3,419.06
Dengie	1,137.04	1,326.54	1,516.05	1,705.55	2,084.56	2,463.57	2,842.59	3,411.10
Goldhanger	1,132.33	1,321.05	1,509.77	1,698.49	2,075.93	2,453.37	2,830.82	3,396.98
Great Braxted	1,126.02	1,313.68	1,501.35	1,689.02	2,064.36	2,439.69	2,815.04	3,378.04
Great Totham	1,112.99	1,298.49	1,483.98	1,669.48	2,040.47	2,411.47	2,782.47	3,338.96
Hazeleigh	1,111.08	1,296.25	1,481.43	1,666.61	2,036.97	2,407.32	2,777.69	3,333.22
Heybridge	1,154.21	1,346.58	1,538.94	1,731.31	2,116.04	2,500.78	2,885.52	3,462.62
Langford	1,138.79	1,328.59	1,518.38	1,708.18	2,087.77	2,467.37	2,846.97	3,416.36
Latchingdon	1,170.62	1,365.72	1,560.82	1,755.92	2,146.12	2,536.32	2,926.54	3,511.84
Little Braxted	1,128.74	1,316.86	1,504.98	1,693.10	2,069.34	2,445.58	2,821.84	3,386.20
Little Totham	1,125.00	1,312.50	1,500.00	1,687.50	2,062.50	2,437.50	2,812.50	3,375.00
Maldon	1,147.59	1,338.85	1,530.12	1,721.38	2,103.91	2,486.43	2,868.97	3,442.76
Mayland	1,146.46	1,337.53	1,528.61	1,719.68	2,101.83	2,483.98	2,866.14	3,439.36
Mundon	1,123.67	1,310.95	1,498.22	1,685.50	2,060.05	2,434.61	2,809.17	3,371.00
North Fambridge	1,127.49	1,315.40	1,503.32	1,691.23	2,067.06	2,442.88	2,818.72	3,382.46
Purleigh	1,150.70	1,342.48	1,534.26	1,726.04	2,109.60	2,493.16	2,876.74	3,452.08
Southminster	1,158.92	1,352.07	1,545.22	1,738.37	2,124.67	2,510.97	2,897.29	3,476.74
St. Lawrence	1,127.52	1,315.44	1,503.36	1,691.28	2,067.12	2,442.96	2,818.80	3,382.56
Steeple	1,123.38	1,310.60	1,497.83	1,685.06	2,059.52	2,433.97	2,808.44	3,370.12
Stow Maries	1,154.96	1,347.45	1,539.94	1,732.43	2,117.41	2,502.39	2,887.39	3,464.86
Tillingham	1,161.06	1,354.56	1,548.07	1,741.58	2,128.60	2,515.61	2,902.64	3,483.16
Tollesbury	1,158.82	1,351.95	1,545.09	1,738.22	2,124.49	2,510.76	2,897.04	3,476.44
Tolleshunt D'arcy	1,132.49	1,321.24	1,509.98	1,698.73	2,076.22	2,453.72	2,831.22	3,397.46
Tolleshunt Knights	1,117.39	1,303.62	1,489.85	1,676.08	2,048.54	2,421.00	2,793.47	3,352.16
Tolleshunt Major	1,123.28	1,310.49	1,497.70	1,684.91	2,059.33	2,433.75	2,808.19	3,369.82
Ulting	1,133.61	1,322.54	1,511.48	1,700.41	2,078.28	2,456.14	2,834.02	3,400.82
Wickham Bishops	1,113.03	1,298.53	1,484.04	1,669.54	2,040.55	2,411.55	2,782.57	3,339.08
Woodham Mortimer	1,111.08	1,296.25	1,481.43	1,666.61	2,036.97	2,407.32	2,777.69	3,333.22
Woodham Walter	1,141.36	1,331.58	1,521.81	1,712.03	2,092.48	2,472.93	2,853.39	3,424.06

- (ix) that the Council's basic amount of Council Tax for 2018 / 19 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.

As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2018/19 is excessive

and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992, as amended.

811. MEDIUM TERM FINANCIAL STRATEGY 2018 / 19 TO 2021 / 22

The Council considered the report of the Director of Resources presenting the Medium Term Financial Strategy 2018 / 19 to 2021 / 22 (attached as Appendix A to the report) for approval by the Council.

The Chairman informed the Council that in accordance with Procedure Rule 13 (5) this decision required a recorded vote. The Chairman put the recommendations as set out in the report with the minor amendments as outlined by the Director of Resources to the Council and the voting was as follows:

For the recommendation:

Councillor J P F Archer, H M Bass, Miss A M Beale, B S Beale, R G Boyce, A T Cain, Mrs P A Channer, R P F Dewick, I E Dobson, M F L Durham, Mrs H E Elliott, A S Fluker, Mrs B D Harker, B E Harker, M S Heard, M W Helm, R Pratt, N R Pudney, S J Savage, Mrs N G F Shaughnessy, Rev. A E J Shrimpton, D M Sismey, A K M St. Joseph, Mrs M E Thompson and Miss S White.

Against the recommendation: None.

Abstention: None.

RESOLVED that the Medium Term Financial Strategy 2018 / 19 to 2021 / 22 be approved.

812. QUESTIONS IN ACCORDANCE WITH PROCEDURE RULE 6 (2) OF WHICH NOTICE HAS BEEN GIVEN

There were none.

813. CORPORATE PLAN, KEY ACTIVITIES, INDICATORS AND TARGETS 2018 / 19

The Council considered the report of the Chief Executive seeking Council's approval of the proposed Corporate Activities, Performance Indicators and Targets for 2018 / 19 and for their inclusion in the annual update to the Corporate Plan (2015 – 19).

The key corporate activities proposed for 2018 / 19 were attached as Appendix 1 to the report and new activities were set out in the report along with those 2017 / 18 activities not being carried forward. Appendix 2 to the report set out the indicators / measures and proposed targets. An update to the Corporate Plan (2015 - 19) was also proposed and set out in Appendix 3.

In response to a question regarding the exclusion of fluvial in flood relief projects, the Chief Executive requested that subject to Members' agreement fluvial be included in

this Key Corporate Activity and the Update of the Corporate Plan (2015 – 2019). This was duly agreed.

In response to a number of questions raised the following information was provided:

- China not accepting recycling paper was a risk but a shared risk between the Council and the contractors. The Director of Customers and Community advised that it was too early at this stage to state the impact but that he would report back to Members in respect of this.
- The Chief Executive clarified that 'tracking' referred where an output / outcome was measured but this was not something that was within the Council's control.

RESOLVED

- (i) That subject to the above amendment, the proposed 2018 / 19 Key Corporate Activities as detailed in Appendix 1 to the report, be approved;
- (ii) that the proposed 2018 / 19 indicators/measures and targets as detailed in Appendix 2 to the report, be approved;
- (iii) that subject to the above amendment, the 2018 / 19 Update of the Corporate Plan (2015 - 19) as set out in Appendix 3 to the report, be approved and adopted;
- (iv) that the proposed 2018 / 19 Service Priorities as detailed in Appendix 4 to the report, be noted.

814. CORPORATE PEER CHALLENGE

The Council considered the report of the Chief Executive updating Members on the conclusions and actions arising from the Corporate Peer Challenge undertaken last year.

The report provided information following a recent Peer Challenge which had taken place during February 2017. A summary of the Peer Team's conclusions and recommendation were set out in Appendix 1 to the report along with actions already underway to address some of the points and proposed future actions.

The Leader of the Council presented the report and highlighted the four areas the Peer review were asked to look at and the results of the independent review produced. It was noted that the report related to a snapshot in time and that the Council had made significant progress on the points identified. He proposed that the report be accepted and that the Council continued to work on the valuable advice offered by the Local Government Authority. This proposal was duly seconded.

In response to a number of concerns and questions raised the Leader provided further details regarding the Peer Review. He commented on how both the Peer Review and External Auditors had identified concerns regarding Area Planning Committees and the Leader advised that the Council had to consider how it determined planning applications using an efficient resilient and cost effective system.

RESOLVED

- (i) that the content of the report and the summary of the Peer Team's conclusions and recommendations be noted;
- (ii) that the additional proposed actions to address the recommendations be agreed.

815. LITTLE TOTHAM PARISH COUNCIL - REQUEST TO REVIEW ELECTORAL ARRANGEMENTS

The Council considered the report of the Director of Resources presenting a request from Little Totham Parish Council for a review of its electoral arrangements in terms of the size of its membership.

It was noted that Little Totham Parish Council had resolved to request that this Council carry out a review to enable its present membership to be increased from five to seven Councillors. A copy of the letter received from the Parish Council was attached as Appendix 1 to the report.

It was noted that a change to increase the number of Parish Councillors can only be brought about as a result of a Community Governance Review under the Local Government and Public Involvement in Health Act 2007 undertaken by the District Council. A Review may be instigated by resolution of the District Council itself or on petition from local electors. In the case of Little Totham, a petition would need to be signed by at least 37.5% of the total current electorate.

RESOLVED that the request of Little Totham Parish Council in terms of the principle of instigating a Community Governance Review be agreed.

816. EXCLUSION OF PUBLIC AND PRESS

RESOLVED that under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2, 3 and 7 of Part 1 of Schedule 12A to the Act, and that this satisfies the public interest test.

Councillor Rev. A E J Shrimpton left the meeting at this point and did not return.

In accordance with their earlier declarations, Councillors Mrs P A Channer and N R Pudney left the chamber at this point.

817. LLYS HELIG UPDATE

The Council considered the report of the Director of Customers and Community providing an update on progress in resolving the capsized vessel known as Llys Helig berthed on the foreshore in Burnham-on-Crouch and seeking Members' consideration of the future use of the mud berth.

RESOLVED

- (i) that Members note the update on the Llys Helig;
- (ii) that Officers continue to report back to the Leader and Deputy Leader of the Council on an ongoing basis and to a future meeting of the Council on progress to resolve the situation on a no less than bi-monthly basis;
- (iii) that the Asset Management Working Group be convened to consider future options relating to the management of the mud berth currently occupied by the Llys Helig and report back to the Council with findings and any recommendations.

Councillors Mrs Channer and Pudney returned to the chamber.

818. MALDON HEALTH HUB PROJECT

The Committee considered the report of the Chief Executive which provided an update on recommendations from the Community Services and Finance & Corporate Services Committees to the Council following consideration of a report (attached at Appendix 1 to the report). The report provided an update on progress of the Maldon Health Hub Project, the proposed service model and the proposed role for the Council in the future delivery of the project.

The report highlighted the ongoing work by the Clinical Commissioning Group (CCG) and the NHS in respect of the Maldon Health Hub project which was now at the Outline Business Case stage.

Members were advised that the Mid and South Essex Sustainability and Transformation Partnership (STP), made up of different NHS organisations and Council's across Essex, were working on a plan to improve health and care services across the region. Their review was looking at three key subjects and it was noted that these would ultimately impact on the service model to be delivered from the new Health Hub.

The report detailed a number of options regarding the Council's future role in the project. The Director of Resources explained that option (i) was an unrealistic option for the Council and outlined the reasons for this.

It was noted that the Community Services and Finance & Corporate Committees had considered this report and made recommendations to the Council which were set out in the report.

The Chief Executive referred to a meeting of the Health Hub Board yesterday and further discussions she had had with Mr Dan Doherty.

Councillor R G Boyce, Chairman of the Community Services Committee, accepted recommendation (ii) from the Finance and Corporate Services on behalf of the Community Services Committee but proposed that after the Outline Business Case (OBC) that a report was brought back to the Community Services Committee as well as the Finance and Corporate Services Committee. This was duly seconded and agreed.

Councillor A S Fluker declared an interest in this item of business as he was a patient of St. Peters Hospital.

Councillor Fluker proposed that the Council withdraw resources from dealing with this project, wait for the OBC and then make a decision. This was duly seconded.

Councillor D M Sismey proposed that Officers be authorised in consultation with the Leader and Deputy Leader of the Council to deal with the communications strategy. This was duly agreed.

The Leader of the Council proposed that options (ii) to (v) as set out in paragraph 3.2.2 of the report be removed in their entirety. This was duly seconded and agreed. Councillors R G Boyce and Mrs P A Channer requested that their vote against this be recorded.

Following further discussion it was **RESOLVED**

- (i) that option (i) as set out in paragraph 3.2.1 of the report for future Maldon District Council involvement in the Maldon Health Hub be ruled out at this stage;
- (ii) that the Community Hospital Working Group not be constituted to oversee progression of the project;
- (iii) that that Officers be authorised in consultation with the Leader and Deputy Leader of the Council to deal with the communications strategy in relation to the Maldon Health Hub project;
- (iv) that options (ii) to (v) as set out in paragraph 3.2.2 of the report be removed in their entirety;

There being no further items of business the Chairman closed the meeting at 9.20 pm.

H M BASS
CHAIRMAN

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Budget Statement of the Leader of the Council, Cllr. M.F.L. Durham, CC
8th February 2018

Mr Chairman, Members of the Council, Visitors and Officers, it is my responsibility as Leader of the Council to present the proposed annual budget for the year commencing on the 1 April 2018.

This budget has been compiled by Members and Officers over the past six months using a zero based approach, taking account of future risks, threats & unknowns, whilst looking for opportunities where, as a Council we can develop and become more efficient and resilient in these difficult times for local government.

While there have been some signs of improvement in the economic outlook, the continuing austerity measures have led to unprecedented year on year reductions to local authority funding. Between 2016/17 and 2019/20, the Council will have suffered a cumulative loss of 52% of core grant in addition to the 43% already lost in the previous spending review. Since 2009/10, the Council has lost £3.2m in core grant. We are however a prudent Council and there is no doubt that, without our sound financial practices in recent years, we would be in a far worse position now.

We continue to invest in our services and, whilst our capital programme is more constrained than in previous years, we are still replacing valuable plant and equipment, investing in technology and things like CCTV to provide additional assurance to our residents.

We are actively engaging with EDF and their Chinese partners CGN, to maximise benefits that can be derived from a potential new Nuclear Power Station in Bradwell. In a few weeks' time we will host the first ever Local Government New Nuclear LGA Special Interest Group annual conference. This will bring together 15 local authorities with either new, emerging or operational power stations in their area. The idea is to share knowledge and learn from each other to ensure best practice and experience so that we can get the best outcomes for our district, such as, training, infrastructure improvements, business support and employment opportunities from the power station.

2017-18 has seen the approval of the Local Development Plan, providing us with sustainable planning growth and the ability to protect the Maldon District from unwanted & unsustainable planning growth. We are in the process of bringing forward eleven strategic sites, working with developers to ensure that their contributions are maximised to provide our residents with the infrastructure and affordable homes that are vitally necessary for the district.

On the 1st February it was announced that £7.3m had been secured from the government's Housing Infrastructure Fund for the delivery of key projects to support the housing growth, flood alleviation measures and the wider community in Heybridge. This funding will unlock the development of 1,500 houses identified within the Local Development Plan (LDP) alongside opportunities for local business through stimulating commercial opportunities within the Maldon and Heybridge Central Area.

2017-18 saw the successful delivery of a number of events on The Promenade Park in Maldon and at the Riverside Park in Burnham. The Council actively supports these events as they are crucial to the District's Tourism offer. In 2018-19, we are looking to maximise the financial benefits from events, as well as looking at new opportunities.

This summer sees the completion of the Saltmarsh Trail which provides visitor hubs along the 75 miles of our coastline. The Saltmarsh 75 event has quickly become one of the most significant endurance trials and entrants come from all across the United Kingdom to participate. The Economic Impact of Tourism 2016 report stated that the total financial contribution to the Maldon District was £195m. As a Council, we want visitors to enjoy our District as much as we do.

Our Corporate Plan sets out how we deliver our Visions and Goals for the District. Our Vision is to make Maldon District a better place to live, work and enjoy. We have four goals which underpin everything that we do:

Strengthening Communities to be safe, active and healthy.

Protecting and shaping the district.

Creating Opportunities for economic growth and prosperity.

Delivering good quality, cost effective and valued services.

Our Budget and Strategic Planning process is centered on the delivery of these important goals to support our community.

There are a number of risks to our medium term financial sustainability, as shown in the medium term financial plan. Between 2018-19 and 2021-22, the Council must deliver almost £1.5m of savings to meet the budget gap and this is without factoring in further uncertainties post 2021-22, that Central Government has not yet announced. Local government still does not know what will replace the Rate Support Grant in 2020 and the envisaged 100% retention of the business rates collected by us now seems more likely to be only 75% at best. Representatives from all tiers of local government gave evidence at a select committee this Monday to explain to the government that this uncertainty is preventing authorities from being able to make plans for their future. Hopefully, during this coming year, we will be given more details about the government's intentions for ongoing funding.

The Government has however recognised the immediate financial pressures facing councils and has allowed flexibility to increase our Council Tax by 3%, or £5 whichever is greater. We are proposing to increase Council Tax by 2.99% in 2018-19, an increase which amounts to 10.8 pence per week for a Band D household. We must focus on identifying and delivering our savings target for the medium term as a matter of urgency, so that our authority remains financially sustainable and autonomous for the benefit of our district residents.

Over the next three months, this authority will take a hard look at itself in the mirror and examine its fundamental core structure and systems to ensure that we really are doing things in the most efficient way possible. Investment in IT and telephony will allow residents to make contact with us more swiftly and efficiently and also enable Officers to work from different locations. It is no longer viable to simply 'tinker around

the edges', we need to reshape the authority so that it is fit for purpose to move into the next decade.

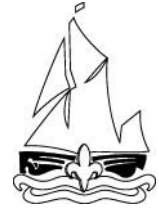
It is essential that we not only bridge the significant financial gap, but also look to create new income streams. In due course, like many other councils, we will need to enter a new phase of commerciality to generate a return on investments which will help us to preserve services to for our residents. However, this can only be done once the Council is in a sound fiscal position through securing the necessary cost savings.

Finally, I would like to thank Councillor Sismey and Councillor Dobson for their leadership of the Finance and Corporate Services Committee, not only for their role in compiling this budget, but also for providing scrutiny and authority during 2017/18.

Chairman, I commend this budget to Council.

CLLR. M.F.L. DURHAM, CC
LEADER
MALDON DISTRICT COUNCIL

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**MINUTES of
OVERVIEW AND SCRUTINY COMMITTEE
14 FEBRUARY 2018**

PRESENT

Chairman	Councillor M W Helm
Vice-Chairman	Councillor R P F Dewick
Councillors	Mrs P A Channer, CC, N R Pudney, S J Savage and Mrs M E Thompson

828. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor P G L Elliott.

829. CHAIRMAN'S NOTICES

The Chairman drew attention to the list of notices published on the back of the agenda.

830. MINUTES OF THE LAST MEETING

RESOLVED

- (i) that the Minutes of the meeting of the Committee held on 10 January 2018 be received.

Councillor R G Boyce MBE advised that he had been present at the previous meeting.

Minute No. 718 – Recruitment of GPs in the Maldon District

“GPS” in the heading of this item should be amended to read “GPs”.

RESOLVED

- (ii) that subject to the above amendment the Minutes of the meeting of the Committee held on 10 January 2018 be confirmed.

831. PUBLIC PARTICIPATION

There was none.

832. DISCLOSURE OF INTEREST

Councillor Mrs P A Channer CC declared the following:

- that she was also a Member of Essex County Council and had a non-pecuniary interest in relation to any agenda items that might affect that organisation. The declaration was particularly pertinent to Section 106 Agreements;
- that in relation to Agenda Items 7 and 11 which were pertinent to area planning committees, she had a non-pecuniary interest as she was also Chairman of the Planning and Licensing Committee and was a Member of the South Eastern Area Planning Committee.

833. TACKLING EMPTY HOMES

The Committee considered the report of the Director of Planning and Regulatory Services which proposed a variation to the Council's approach in tackling empty homes. The Director of Planning and Regulatory Services highlighted that the number of empty homes had decreased and that the issue of long-term empty homes should be addressed.

Members considered that the District had a very small number of empty homes.

In response to a question, the Director of Planning and Regulatory Services confirmed that the targets set in Appendix Two to the report would be difficult to achieve under the current method of reporting. The proposed amended way of reporting would be preferable.

A Member suggested that this piece of work was not appropriate for the Overview and Scrutiny Committee. The Director of Resources explained that this topic had been considered as an area of scrutiny as there was a desire to bring empty homes back in to use. However, as previously explained it was difficult to do so and the process was resource intensive. The Committee was advised that the Government planned to permit Local Authorities to charge a higher council tax premium on empty homes from 2019 and that a report would be coming back to Members during 2018 on this subject.

Councillor R G Boyce MBE advised that there was a recommendation from the Housing Strategy Board that not too much more resource should be put into empty homes.

A report had now come back to this Committee as requested and Councillor Mrs P A Channer CC proposed that this item of scrutiny should now be concluded. This proposal was duly seconded.

RESOLVED:

That this item of scrutiny be concluded and removed from the Programme of Work.

834. PROCEDURE FOR COMMENCING PROSECUTION

The Committee considered the report of the Director of Resources, the purpose of which was to describe the process to be followed for commencing a prosecution, so that its adequacy could be assessed as part of a wider review of enforcement procedures.

The Director of Resources outlined the process for dealing with prosecutions and in response to questions:

- Advised that historically there were some cases that had lapsed. However, this had now been addressed and there was no longer a backlog of cases;
- In relation to the question on page 26 of Appendix 1 to the report “is a statutory defence available” – the Director of Resources would request that the Deputy Monitoring Officer clarify what was meant by “a statutory defence”;
- The pack was now completed by Community Protection Officers (CPOs). Before this pack was introduced, CPOs would pass the information to Legal Services;
- The Legal and Democratic Services Manager was required to sign-off the pack under the Scheme of Delegation and ensure all information was in place;
- The timeline for sign-off of the form was immediate (i.e. within 48 hours) and it was up to the Director of Resources to ensure that these forms are dealt with on a timely basis;
- Trucam has a set procedure that the CPOs must follow. This procedure is set by the Police and the Legal Services Department has no involvement in it.

RESOLVED:

That the process for commencing prosecution be agreed.

835. INTERNAL AND EXTERNAL COMMUNICATION

The Committee considered the report of the Director of Customers and Community, the purpose of which was to review the Council’s approach to internal and external communications making recommendations to the appropriate service committee or Council as required. The Council was currently performing well as measured against other Local Authorities within this area.

The Public Relations Manager presented information and background on the Council’s website and highlighted Appendix One to the report which detailed the following:

- an overview of the website;
- customers’ strategy;
- telephony;
- proposed unified communication system;
- email upgrade;
- digital strategy.

In response to a comment, the Public Relations Manager advised that he would work with Planning Officers to try to improve the online system so that it was easier for customers to use.

The Group Manager: Customers highlighted the key aims of the customer strategy as set out in Appendix One to the report and stressed that one of the key aims was that the quality of service delivered had a greater focus than just speed of service. Another key aim was resolution at the first point of contact.

The Group Manager: Customers informed the Committee:

- that monthly drop-in multi agency partnership sessions would be introduced from April 2018 for customers who had multiple issues to be dealt with;
- service reviews were being undertaken with an emphasis on how customers access services;
- it was more cost-effective to deal with issues over the website than face-to-face;
- the telephone system was no longer fit for purpose;
- Council had agreed to adopt core values relating to staff behaviour and values which were being embedded across the organisation

The Director of Resources advised that a better telephone system was essential and, in response to a question, confirmed that an analogue system would be retained for back-up. The system would be hosted and managed for the Council and, in the event that there was a problem, the system could be run from anywhere.

COUNCILLOR R G BOYCE MBE LEFT THE MEETING AT THIS TIME.

The Group Manager: Customers advised that a different system of dealing with calls was being moved to with the intention of directing calls to enable more queries to be dealt with at the first point of contact.

In response to a question, the Group Manager: Customers confirmed that an annual fee was paid broadcast music.

Members requested that a report be brought back to the Committee on this item.

The Director of Resources confirmed that 365 email would be implemented during quarter 1 of 2018/19 which would improve the email service throughout the Council. The Director of Resources confirmed that whereas there were some problems opening and forwarding attachments on Good, the new system should address these issues.

In response to a question regarding junk email, the Director of Resources advised Members that following the implementation of the General Data Protection Regulation it would not be possible to be contacted without giving express permission, so junk email should reduce.

A Member asked if passwords could be changed every four years in line with the period that Members were elected for. The Director of Resources advised that Officers would take advice on the correct timescales as per recommended security protocols for changing passwords.

The Group Manager: Customers advised that work was being undertaken to explore with Members our digital strategy, including the Council's appetite for Channel shift, to encourage customers to use the website, and online services. She referred to the difference in cost in providing face-to-face services versus online services. It was proposed that there would be engagement with all Members on the digital strategy over the coming months.

The message and music on the current telephone system would be changed.

RESOLVED:

- (i) That a report on communications would be brought back to the next meeting of the Overview and Scrutiny Committee and would be circulated in advance of that meeting;
- (ii) A series of workshops on digital strategy would be set up for Members so that they could be properly appraised of the information and decisions for the future strategy.
- (iii) A notice would be put on the intranet to ensure that all Officers were aware that meeting requests sent by email should be followed up by a telephone call if there was no response from Members.
- (iv) That Officers would take into account Members' comments when drafting the future digital strategy for the Council and introducing unified communications systems.
- (v) The message and music on the current telephone system would be changed.

COUNCILLOR MRS P A CHANNER CC LEFT THE MEETING AT THIS TIME.

836. REVIEW OF PERFORMANCE - QUARTER 3 2017-18

The Committee considered the report of the Chief Executive, the purpose of which was to supply Members with details of performance against targets set for 2017/18 and to ensure that progress was being achieved towards the overall corporate goals and objectives detailed in the Corporate Plan 2015-19 adopted by Council in February 2015, with the most recent annual update approved by Council in April 2017.

The Director of Resources drew Members' attention to the key areas that were at risk or behind schedule:

- Levels of reported crime – this would be addressed at the March meeting;
- Brickhouse Farm – ECC had moved this to a 2018/19 capital scheme and an outcome as to when this was happening was awaited;
- Maldon Health Hub – the Council was awaiting proposals from the CCG and these would be considered and appropriate resource could then be allocated;
- Empty Homes – this had been discussed earlier in the meeting;

- Implementing Workforce Development Plan projects for 17/18 – it was necessary to determine if this is worth the money and was of benefit;
- Transformation Strategy – the Council was about to embark on significant transformation projects;
- Crematorium – the Internal Auditors had presented a range of options and the Crematorium was one of them. There would be a report on the viability of this proposal to the Finance and Corporate Services Committee;
- Planning Applications – there had been a huge improvement in performance;
- Sickness Absence – the Programme of Work is looking into this as the Council is not performing in line with targets. There would be a report back to this Committee in April 2018.

In response to a question about the quality of printing of the report, the Director of Resources confirmed that she would look into the presentation of the report.

The Director of Resources advised Members that the staff sickness levels had been affected by the current winter cold/flu which was increasing the time off per incidence of sickness for this year.

RESOLVED:

- (i) That Members gave their comments and views on the information set out in the report and Appendix 1 thereto;
- (ii) That Members reviewed and/or scrutinised decisions made by and the performance of both Committees and Council Officers;
- (iii) That Members challenged performance or allocation of resources where the Committee felt that the Council's corporate goals may not be achieved.

837. TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2018 / 19

The Committee considered the report of the Director of Resources, the purpose of which was to comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) revised Code of Practice for Treasury Management's requirement for regular scrutiny of Treasury Management Strategy and Practices.

The Director of Resources advised Members that this report had gone to the Finance and Corporate Services Committee and was reported to the Overview and Scrutiny Committee on an annual basis. This reflected both CLG guidance and the CIPFA code of practice. The Director of Resources drew Members' attention to the Borrowing Strategy set out in Appendix 1 to the report and advised that the operational limit was included in this.

The Director of Resources further highlighted the following contained within Appendix 1 to the report:

- Borrowing Strategy – this included an authorised limit of £10 million which was in place should the Council wish to develop a crematorium;

- The detail of Investment Strategy counterparties;
- Existing Investment and Debt Portfolio Position;
- Treasury Management Practices - Principles and Schedules and the key changes contained therein – starting to incorporate something around borrowing strategy and ensuring that where investments were held they weren't just rolled over without getting a decent rate of interest back on them.

Members raised various questions, to which the Director of Resources responded as follows:

- The table on page 112 of Appendix 1 to the report stated a total investment of £21,000,000. This did not equate to the Council's reserves which was approximately £10,000,000;
- The amount of investment included Section 106 monies;
- The amount of investment included the remnants from selling the Council's housing stock.

The Director of Resources advised that it was now possible for new capital receipts to be used on revenue budgets.

RESOLVED:

That the Committee considered the Treasury Management Strategy asking confirmatory questions on total investment balances, PWLB borrowing and maximisation of income subject to due diligence.

838. SECTION 106 AGREEMENTS

The Committee considered the report of the Director of Planning and Regulatory Services, the purpose of which was to provide Members with a summary of work undertaken so far on the monitoring of Section 106 Agreements and set out the intended programme for review of the current procedures used by the Council in the monitoring of Section 106 Agreements.

The Director of Planning and Regulatory Services outlined the report and drew attention to the significant progress that had been made on recording of Section 106 Agreements.

In response to a question, the Director of Planning and Regulatory Services advised that nationally Section 106 funding would add around £30k to the value of a house, whereas in Essex the figure was lower at around £9k.

Members raised various questions on the report and the Director of Planning and Regulatory services provided the following responses:

- Section 52 and Section 13 Agreements were previous iterations of Section 106 Agreements and there was a need to ensure that records were kept of those historic agreements;
- The Council would receive £24,000,000 in S106 contributions;

- £600k of the Section 106 Agreement funding would be due to the NHS and it would be for them to decide how that money would be spent;
- Affordable Housing Commuted Sum Income – the Council was comfortable with its ability to spend that money within the timescale.

RESOLVED:

- (i) That Members duly commented on the information contained in the report;
- (ii) That the Chief Executive would report back to the Committee on the process for the NHS requesting, accessing and allocation of Section 106 Agreement funds earmarked for the NHS.

839. 2017 / 18 PROGRAMME OF WORK

The Committee considered the report of the Director of Resources, the purpose of which was to provide an update on the work programme of this Committee for 2017/18.

The Director of Resources highlighted the following sections of the report:

- Health Hub – this issue had gone to Council and it had been decided that the Council would not be investing a significant amount of officer time;
- Provision of Healthcare – Councillor N R Pudney advised that he would circulate emails he had received to Members of the Committee and relevant Officers;
- Planning Enforcement – there had been a piece of work on prosecution and further advice was requested as to whether any other areas should be looked at. A report would be brought back to the next meeting of this Committee;
- Primary School Education – updated statistics were awaited;
- Procurement and Delivery of the 17/17 Capital Programme – a report would be brought back to the Committee to see which items had been actioned;
- Administration of Council River Moorings, Leases and Licenses – there would be a report on this at the March meeting of the Committee;
- Internal and External Communication – a report would be brought to the March meeting of the Committee;
- Staff Sickness – a report would be brought to the March meeting of the Committee.

RESOLVED:

That the contents of the report be noted.

840. ANY OTHER ITEMS OF SCRUTINY MEMBERS WISH TO CONSIDER

Councillor S J Savage requested that the Police Lease at the Council Offices be raised as an item of scrutiny, to include the following:

- What were the alteration costs to the building?
- How much was the additional lighting and was it required by Police?
- Why are the Police parking bays situated where they are as it was necessary for them to go through the car park at speed. Would it not be better for the bays to be at the entrance to the car park?
- Why was the additional container in the car park?
- Was there a reduction in the rent paid by the Police agreed?

RESOLVED:

That the Police Lease be added to the Programme of Work for this Committee.

There being no further items of business the Chairman closed the meeting at 9.23 pm.

M W HELM
CHAIRMAN

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**MINUTES of
FINANCE AND CORPORATE SERVICES COMMITTEE
6 MARCH 2018**

PRESENT

Chairman	Councillor D M Sismey
Vice-Chairman	Councillor I E Dobson
Councillors	Mrs B F Acevedo, P G L Elliott, A S Fluker and Rev. A E J Shrimpton
Ex-Officio Non- Voting Member	Councillor B S Beale MBE
Substitute Members	Councillors E L Bamford and M F L Durham

861. CHAIRMAN'S NOTICES

The Chairman drew attention to the list of notices published on the back of the agenda.

862. APOLOGIES FOR ABSENCE AND SUBSTITUTION NOTICES

Apologies for absence were received from Councillors J P F Archer and Miss M R Lewis.

In accordance with notice duly given Councillor M F L Durham was attending as a substitute for Councillor Archer and Councillor E L Bamford as a substitute for Councillor Miss Lewis.

863. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 30 January 2018 be approved and confirmed.

864. DISCLOSURE OF INTEREST

Councillor D M Sismey disclosed an interest in relation to Agenda Item 9 – Treasury Management and Annual Investment Strategy 2018 – 19 as he was a Director of Goldman Sachs and advised he would leave the meeting for this item of business.

865. PUBLIC PARTICIPATION

No requests had been received.

866. CHAIRMAN'S GOOD NEWS ANNOUNCEMENTS

There was none.

867. SUPPLEMENTARY ESTIMATES AND VIREMENTS

The Committee considered the report of the Director of Resources, reporting virements and supplementary estimates agreed under delegated powers and procurement exemptions granted.

Members were advised that there had been:

- two virements: one of £51,000 from the Promenade Park road repairs capital budget and a further for £8,000 from the Burnham Cemetery road repairs capital budget to the all-weather winter car park capital budget.
- no supplementary estimates.
- two procurement exemptions: one to enable the Council to automate the green waste payment system within the contractors main IT system and a second to purchase new software for the introduction of the Homelessness Reduction Act.

RESOLVED

- (i) That the virements of £51,000 from the Promenade Park road repairs capital budget and £8,000 from the Burnham Cemetery road repairs capital budget to the all-weather winter car park capital budget be noted.
- (ii) That the procurement exemptions relating to the green waste payment system and new software for the introduction of the Homelessness reduction Act, as detailed in the report, be noted.

Councillor B S Beale joined the meeting during this item of business.

868. PAY POLICY STATEMENT (ANNUAL REVIEW)

The Committee considered the report of the Director of Resources seeking the Council's approval of a Pay Policy Statement to meet the Localism Act 2011 requirements.

It was noted that the Pay Policy Statement was attached as Appendix 1 to the report and reflected the current arrangements for pay at the Council.

In response to questions regarding the payment received by the Chief Executive as Returning Officer during elections, it was agreed that the Director of Resources would

bring a report back to a future meeting of the Committee clarifying the different election roles and payments related to these.

The Director of Resources provided further information regarding elections and in response to a question regarding the use of Council staff for counting election votes commented that ideally separate persons to those who had staffed polling stations would be used and work was ongoing to set up a pool of people trained ready for the May 2019 elections.

RESOLVED

- (i) That the Director of Resources would bring a report back to a future meeting of the Committee clarifying the different election roles and payments related to these.

RECOMMENDED

- (ii) That the Pay Policy Statement attached at **APPENDIX 1** to these Minutes be adopted for the financial year 2018 /19.

In accordance with his earlier declaration Councillor D M Sismey left the chamber at this point.

IN THE CHAIR : COUNCILLOR I E DOBSON

869. TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2018-19

The Committee considered the report of the Director of Resources seeking Members' consideration and approval of the Council's draft Treasury Management and Annual Investment Strategy for 2018 / 19 (attached as Appendix 1 to the report). Supporting Treasury Management Practices were attached as Appendix 2 to the report and Prudential Indicators at Appendix 3.

The Treasury Management and Annual Investment Strategy had been updated in line with the statutory requirements and good practice, having regard to the Council's financial position, links to its wider strategies, plans and aims and the advice of the Council's Treasury Advisor.

RECOMMENDED that the draft Treasury Management and Annual Investment Strategy together with the embedded Prudential Indicators for 2018 / 19, as set out in **APPENDICES 2, 3 and 4** to these Minutes, be approved.

Councillor Sismey returned to the chamber at this point.

IN THE CHAIR : COUNCILLOR D M SISMEY

870. FINANCIAL SERVICES POLICY - MILEAGE AND EXPENSES

The Committee consider the report of the Director of Resources seeking the Council's approval of a revision to the Council's Mileage and Expenses policy (attached as Appendix 1 to the report).

The report set out a number of changes to the policy which were considered and noted by Members.

In response to a question regarding mileage rates for electric vehicles it was agreed that this be identified from HM Revenues and Customs and included within the Policy.

RECOMMENDED that subject to the above amendment, the Mileage and Expenses Policy attached at **APPENDIX 5** to these Minutes, be approved and adopted.

871. INFORMATION AND DATA SECURITY POLICIES

The Committee considered the report of the Director of Resources presenting new, updated information and data security policies for review and approval.

RECOMMENDED that following information and data security policies (attached as **APPENDIX 6** to these Minutes) be agreed and adopted.

- Conditions of Acceptable Use V7.1 2018
- Corporate Information Security Policy V2.1 2018
- Using Email and Digital Communications V1.0 2018

872. DATA PROTECTION POLICY 2018

The Committee considered the report of the Director of Resources, seeking the Council's adoption of the draft Data Protection Policy, attached as Appendix 1 to the report.

It was noted that the introduction of the General Data Protection Regulations (GDPR) as part of the Data Protection Act 2018 had brought additional requirement on organisations to protect the data which they held and processed. The Data Protection Policy had been created to reflect the changes in legislation and ensure the Council's compliance with its obligations.

In response to a query regarding support for Parish Councils, the Director of Resources advised Members of ongoing work to provide support and training to Parish Councils in light of the forthcoming General Data Protection Regulations (GDPR). She confirmed that a briefing note regarding GDPR would be sent to all Members this week.

The Director of Resources clarified that reference on page 241 to Executive Director - Legal and Democratic Services should be amended to Data Protection Officer (the Director of Resources). This was noted.

RECOMMENDED that subject to the above amendment, the Data Protection Policy, attached at **APPENDIX 7** to these Minutes, be approved.

873. INFORMATION SECURITY DATA BREACH INCIDENT REPORTING MANAGEMENT POLICY

The Committee considered the report of the Director of Resources seeking the Council's approval of the draft Information Security Incident Reporting and Data Breach Management Policy (attached as Appendix 1 to the report).

It was noted that the policy had been created as an integrated document which dealt with both Information and Communications Technology (ICT) incidents and physical data breaches via a single methodology. The report highlighted a number of new requirements and timeframes which were introduced as part of the General Data Protection Regulations (GDPR).

It was agreed that within the policy clarification should be provided as to who the ICT Manager and Data Protection Officer were.

RECOMMENDED that subject to the above amendment, the Information Security Incident Reporting and Data Breach Management Policy, attached at **APPENDIX 8** to these Minutes, be approved.

There being no further items of business the Chairman closed the meeting at 7.55 pm.

D M SISMEY
CHAIRMAN

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Document Control Sheet

Document title	Pay Policy Statement
Summary of purpose	Compliance with Localism Act
Prepared by	Group Manager ; People, Performance and Policy
Status	Final
Version number	6
Approved by	
Approval date	
Date of implementation	Immediate
Review frequency	Annual (or as necessary before then)
Next review date	January 2019
Circulation	
Published on the Council's website	Yes

Validity Statement

This document is due for review by the date shown above, after which it may become invalid. Users of the strategy or policy should ensure that they are consulting the currently valid version of the document.



MALDON DISTRICT
COUNCIL

Pay Policy Statement

Note: This Statement has been written to meet the statutory requirements of the Localism Act 2011 and to aid transparency in respect of Maldon District Council's policy regarding pay to the highest and lowest paid staff.

1. General policy

- 1.1 The Council has undertaken a Job Evaluation exercise which reviewed every post in the Council, up to and including the Chief Executive, on a consistent basis and placed them within a single unified pay scale. The pay scale was designed to be consistent with best practice and benchmarked as to value and applies up to and including Director level. In accordance with the Council's constitution, the remuneration of the posts of Chief Executive and Directors were set by the Appointments Committee composed of elected Members of the authority.
- 1.2 The Job Evaluation process was designed to achieve compliance with Equal Pay legislation and, further to this, the contractual terms and conditions of staff were also standardised at the same time. The effect is that the remuneration of all Council employees is governed by a single set of policies and procedures. This is reflected in the Pay Policy statements below.
- 1.3 The pay multiple for 18/19 is based on the ratio of the Chief Executives Salary to all other employees average FTE salary and equates to 3.76. The Government has considered setting twenty to one as a maximum. As a result it is not considered necessary to have a specific policy concerning the pay multiple. If the multiple starts to rise, for example above five to one, this could be reconsidered.

2. Policy regarding pay to "Chief Officers"

2.1 Definition of "Chief Officers" for the purposes of this statement

- 2.1.1 The term "Chief Officer" as employed in the Localism Act has a different meaning to the use made of it at Maldon District Council. For the purposes of this Pay Policy Statement only, the relevant posts are considered to be:

- Chief Executive
- The three Director posts
- The Monitoring Officer

2.2 Pay

- 2.2.1 Pay for the post of Chief Executive is set by the Appointments Committee and approved by the Council. The role of Director was introduced following the 2014 Senior Management Review and pay set by the Job Evaluation process. The pay line of Directors is subject to the same factors as the rest of staff pay, for example any annual pay award granted.

2.2.2 Any exception to this, such as a proposal to change the pay of senior staff out of line with normal pay awards would be subject to a report to the Council and approval being given.

2.2.3 An additional consideration is that the Chief Executive has delegated powers to award discretionary points on an officer's salary scale within approved budgetary limits where they deem it to be in the interests of the Authority. This only applies to points up to the maximum of the salary band for that post.

2.3 Performance related pay and bonuses

2.3.1 Maldon District Council does not have performance related pay or bonus payments for any staff. As there is no mechanism for linking pay and performance in this way 'earn back' arrangements are not appropriate.

2.4 Fees, allowances, benefits in kind and expenses

2.4.1 The Chief Executive is also the Returning Officer for the District, meaning that the post holder has specific responsibilities in respect of all elections and national referenda held in the District. These duties attract fees that are variable depending on the election. For Parliamentary, Police and Crime Commissioner, European elections and national referenda these are set by the Government. For County elections there are set by Essex County Council. For District and Parish elections they are set locally.

2.4.2 Apart from this no fees, allowances, benefits on kind or expenses are available to the posts listed in 2.1, other than those available to all staff and on the same basis.

2.5 Pension

2.5.1 All staff are eligible to join the Local Government Pension Scheme in accordance with the terms of that scheme. No special considerations apply to the posts listed in 2.1.

2.6 Severance payments

2.6.1 Where senior staff leave in the normal course of business (resignation, retirement, etc.) the same procedures would be applied as for any other staff member and no additional payments would arise as a result.

2.6.2 Should a senior post be made redundant the post holder would receive redundancy payments in accordance with the Council's Managing Organisational Change policy that applies to all staff. The Council's policy is not to award any additional compensatory payments to staff.

2.6.3 Should a senior staff member leave as a result of a settlement agreement these, by their nature, are subject to negotiation with the individual and their representatives and so are variable in their terms. Such agreements are formal legal arrangements and confidentiality binding on both parties is a key

component, so any payment arising from such an agreement would not be published. Authorisation of the payment would be in accordance with the Council's terms of reference and scheme of delegation and it would need to represent value for money for the taxpayer in the circumstances.

- 2.6.4 Senior staff that were previously employed by the Authority and left with a severance or redundancy payment may be re-employed on a consultancy basis to cover short term staff pressures where it is considered appropriate in the public interest to do so.

2.7 Recruitment of senior staff

- 2.7.1 When recruiting to a senior post the salary offered would be that applicable to the grade of the post, as determined by Job Evaluation, and within the established pay line. No additional payments would arise, unless a market supplement to enable recruitment was considered justified due to a recognised technical skill shortage in the job market.
- 2.7.2 In the event that a senior post were to be filled by a person who had retired from another Authority and was in receipt of a pension it would be arranged so that the person was not better off overall, through abatement of pension and/or pay as applicable.
- 2.7.3 In accordance with the guidance set out in the Localism Act, Full council should be given the opportunity to vote before large salary packages (£100k or above) offered in respect of a new appointment. This will be considered by the Council should the opportunity arise in the future.

2.8 Monitoring Officer

- 2.8.1 The Monitoring Officer is not subject to any additional payment.

2.9 Publication of remuneration of senior staff

- 2.9.1 This Pay Policy Statement, once approved by the Council, will be published on the Council's website.
- 2.9.2 The remuneration and pension contributions of the posts listed in 2.1 above are published annually in the Financial Statements of the Authority and a copy placed on the website.

3. Lowest paid staff

3.1 Definition

- 3.1.1 The lowest paid staff at Maldon District Council are those in Pay Band A (£14,027 to £15,403). This definition has been chosen as reflecting the reality of the pay line. The posts in Band A were placed there as a result of the Council's Job Evaluation scheme.

3.2 Pay Policy in respect of lowest paid staff

- 3.2.1 No special considerations apply to the lowest paid staff. They are subject to identical terms and conditions, procedures and policies as all other staff. In some cases these policies give slightly different benefits to different levels of staff. For example the lowest five pay bands (A to E) an enhanced pay rates for overtime is paid. No enhancement above grade E is paid. In contrast the basic amount of annual leave increases with pay. Overtime is only paid in exceptional circumstances to staff.

All employees paid at spinal column point 1 through to 7 of the pay spine are paid at a living wage rate of £8.75 per hour or £16,881 (full time equivalent earnings) per annum for a standard 37 hour, 52 week a year contract. The rate is paid by way of a supplement to basic pay.

The Council employs Apprentices who are not included within the definition of 'lowest paid employees' and are not subject to the living wage rate.

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Treasury Management Strategy Statement and Annual Investment Strategy 2018 / 19

1. INTRODUCTION

- 1.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. CIPFA consulted on changes to the Code in 2017, but has yet to publish a revised Code.
- 1.2 In addition, the Department for Communities and Local Government (DCLG) issued revised Guidance on Local Authority Investments in March 2010 that requires local authorities to approve an investment strategy before the start of each financial year.
- 1.3 This Treasury Management Strategy Statement (TMSS) fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the DCLG Guidance.
- 1.4 The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.
- 1.5 **Revised strategy:** In accordance with the CLG Guidance, the Council will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, in the Authority's capital programme or in the level of its investment balance.

2. EXTERNAL CONTEXT

2.1 Economic background

- 2.1.1 The major external influence on the Council's treasury management strategy for 2018 / 19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018 / 19.
- 2.1.2 Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. Unemployment continued to fall and the Bank of England's Monetary Policy Committee judged that the extent of spare capacity in the economy seemed

limited and the pace at which the economy can grow without generating inflationary pressure had fallen over recent years. With its inflation-control mandate in mind, the Bank of England's Monetary Policy Committee raised official interest rates to 0.5% in November 2017.

- 2.1.3 In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.

2.2 Credit outlook

- 2.2.1 High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic slowdown will exacerbate concerns in this regard.
- 2.2.2 Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.
- 2.2.3 The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain very low.

2.3 Interest rate forecast

- 2.3.1 The Council's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.50% during 2018 / 19, following the rise from the historic low of 0.25%. The Monetary Policy Committee re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- 2.3.2 Future expectations for higher short term interest rates are subdued and on-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions. The risks to Arlingclose's forecast are broadly balanced on both sides. The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.
- 2.3.3 A more detailed economic and interest rate forecast provided by Arlingclose is attached at **Appendix A**.

- 2.3.4 For the purpose of setting the budget, it has been assumed that an average return of 1.6% will be achieved on investments.

3. LOCAL CONTEXT

- 3.1 As at 6 December 2017 the Council has no borrowing and £21m of investments. This is set out in further detail at **Appendix B**.
- 3.2 Investments are forecast to fall to £13m as capital receipts are used to finance capital expenditure and reserves are used to finance the revenue budget.
- 3.3 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The Council expects to comply with this recommendation during 2018 / 19 as there is currently no borrowing.

4. BORROWING STRATEGY

- 4.1 The Council is currently debt free and its capital expenditure plans do not currently imply any need to borrow over the forecast period. The Council may however borrow to pre-fund future years' requirements or capital expenditure that occurs in the year supporting the Authorities Commercial Strategy, providing this does not exceed the authorised limit for borrowing of £10 million.

4.2 Objectives

- 4.2.1 Should the Council's long-term plans change and it does borrow, the chief objective will be to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans will be a secondary objective.

4.3 Strategy

- 4.3.1 Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy will address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. The Council's advisor Arlingclose will assist the Council with its borrowing options.
- 4.3.2 In addition, the Council may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.

4.4 Sources

- 4.4.1 The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body;
- Any institution approved for investments (see below);
- Any other bank or building society authorised to operate in the UK;
- UK public and private sector pension funds (except the Essex Pension Fund);
- Capital market bond investors;
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.

4.4.2 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Operating and finance leases;
- Hire purchase;
- Private Finance Initiative
- Sale and leaseback

4.4.3 The Council may consider sourcing its long-term borrowing from the PWLB but it will also investigate other sources of finance, such as local authority loans and bank loans, which may be available at more favourable rates.

4.5 Borrowing Indicators

4.5.1 The Council is required to approve two prudential indicators for External Debt. The Authorised Limit and Operational Limit for borrowing.

4.5.2 The Authorised limit is the maximum amount of borrowing that the Council is allowed to reach and should not be breached. This includes a head room over the Operational limit to allow for cashflow issues, and unexpected breaches in the operational limit.

4.5.3 The Operational limit is the probable amount of borrowing that is required and should reflect that that is required and affordable on an ongoing basis to the Council. This will always be lower than the authorised limit.

	2018 / 19	2019 / 20
Authorised Borrowing Limit	£10m	£10m
Operational Borrowing Limit	£7m	£7m

4.6 Municipal Bond Agency

4.6.1 UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to the Council.

4.7 Short-term and Variable Rate loans

- 4.7.1 These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

5. INVESTMENT STRATEGY

- 5.1 The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the current financial year, the Council's investment balance has averaged £15 million and similar levels are expected to be maintained in the forthcoming year

5.2 Objectives

- 5.2.1 Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.
- 5.2.2 With increased budgetary pressures, an element of the Council's available funds are to be available to invest in medium term, moderate risk investments. These will be determined as suitable following appropriate due diligence reviews by the S151 officer.
- 5.2.3 Negative interest rates: If the UK enters into a recession in 2018 / 19, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

5.3 Strategy

- 5.3.1 Given the increasing risk and very low returns from short-term unsecured bank investments, the Council will look to further diversify into higher yielding asset classes during 2018/19. This is especially the case for the funds available for longer term investment. The majority of the Council's surplus cash remains invested in short-term unsecured bank deposits, certificates of deposit and money market funds. This diversification will represent a continuation of the new strategy adopted in 2017.

5.4 Approved Counterparties

The Council may invest its surplus funds with any of the counterparty types in table 1 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 1: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£2m 5 years	£2m 20 years	£2m 50 years	£1m 20 years	£1m 20 years
AA+	£2m 5 years	£2m 10 years	£2m 25 years	£1m 10 years	£1m 10 years
AA	£2m 4 years	£2m 5 years	£2m 15 years	£1m 5 years	£1m 10 years
AA-	£2m 3 years	£2m 4 years	£2m 10 years	£1m 4 years	£1m 10 years
A+	£2m 2 years	£2m 3 years	£1m 5 years	£1m 3 years	£1m 5 years
A	£2m 13 months	£2m 2 years	£1m 5 years	£1m 2 years	£1m 5 years
A-	£2m 6 months	£2m 13 months	£1m 5 years	£1m 13 months	£1m 5 years
None	£1m 6 months	n/a	£1m 25 years	£2m	£1m 5 years
Money Market & other Pooled funds	£5m per fund				

This table must be read in conjunction with the notes below

- 5.4.1 **Credit Rating:** Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 5.4.2 **Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 5.4.3 **Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and

unsecured investments in any one bank will not exceed the cash limit for secured investments.

- 5.4.4 Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- 5.4.5 Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following suitable due diligence by the S151 officer.
- 5.4.6 Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services they retain a high likelihood of receiving government support if needed.
- 5.4.7 Pooled Funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Money Market Funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.
- 5.4.8 Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 5.4.9 Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

5.5 Risk Assessment and Credit Ratings

- 5.5.1 Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity

has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- No new investments will be made,
- Any existing investments that can be recalled or sold at no cost will be,
- Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

5.5.2 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

5.6 Other Information on the Security of Investments

5.6.1 The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

5.6.2 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

5.7 Specified Investments

5.7.1 The CLG Guidance defines specified investments as those:

- Denominated in pound sterling,
- Due to be repaid within 12 months of arrangement,
- Not defined as capital expenditure by legislation, and
- Invested with one of:
 - The UK Government
 - A UK local council, parish council or community council, or
 - A body or investment scheme of “high credit quality”.

5.7.2 The Council defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

5.8 Non-specified Investments

5.8.1 Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 2 below.

Table 2: Non-Specified Investment Limits

	Cash limit
Total long-term investments (i.e. over 364 days)	£7.5m
Total investments without credit ratings or rated below A-	£7.5m *
Total investments with institutions domiciled in foreign countries rated below AA+	£0m
Total non-specified investments	£12.5m

* To accommodate loans to unrated corporate funds and pooled funds which are not credit rated (e.g. strategic bond funds, equity income funds and property funds) but in which the underlying investments are very highly diversified.

5.9 Investment Limits

5.9.1 The Council’s usable reserves available to cover investment losses are forecast to be £4.5 million on 31 March 2018. In order that no more than 50% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £2million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below:

Table 3: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£2m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£2m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker’s nominee account	£10m per broker
Registered Providers	£2m in total
Unsecured investments with Building Societies	£5m in total

	Cash limit
Loans to unrated corporates	£2m in total
Money Market Funds	£12m in total

5.10 Liquidity Management

5.10.1 The Council uses in house cash flow forecasting methods to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

5.11 Non-Treasury Investments

5.11.1 Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the CLG Guidance, the Council may also purchase property for investment purposes and may also make loans and investments for service purposes, for example in shared ownership housing, as loans to local businesses and landlords, or as equity investments and loans to the Council's subsidiaries.

5.11.2 Such loans and investments will be subject to the Council's normal approval processes for revenue and capital expenditure and need not comply with this treasury management strategy.

6. TREASURY MANAGEMENT INDICATORS

6.1 The Council measures and manages its exposures to treasury management risks using the following indicators.

6.2 Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.

	Target
Portfolio average credit score	6

6.3 Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	Target
Total cash available within 3 months	£5m

- 6.4 Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. While the council has no debt this indicator is not applicable:

	2017/18	2018/19	2019/20
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	100%	100%	100%

- 6.4.1 Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year or for a 12 month period if the transaction date is later than the commencement of the financial year. All other instruments are classed as variable rate.

- 6.5 Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

- 6.5.1 As the Council does not have any fixed rate long-dated loans, the upper limit has been set at 100% to accommodate a loan in the maturity bracket deemed most appropriate.
- 6.5.2 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.
- 6.6 Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2018/19	2019/20	2020/21
Limit on principal invested beyond year end	£8m	£7.5m	£7.5m

7. PRUDENTIAL INDICATORS AND MRP STATEMENT

See APPENDIX 3

8. OTHER ITEMS

- 8.1 There are a number of additional items that the Council is obliged by CIPFA or CLG to include in its Treasury Management Strategy.
- 8.2 **Policy on Use of Financial Derivatives:** The Council will not use standalone financial derivatives (such as swaps, forwards, futures and options).
- 8.3 **Investment Training:** The needs of the Council's treasury management staff for training in investment management as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA.
- 8.4 **Investment Advisers:** The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues.
- 8.5 **Investment of Money Borrowed in Advance of Need:** The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.
- 8.6 The total amount borrowed will not exceed the authorised borrowing limit of £10 million. The maximum period between borrowing and expenditure is expected to be two years, although the Council is not required to link particular loans with particular items of expenditure.

9. FINANCIAL IMPLICATIONS

- 9.1 The budget for investment income in 2018 / 19 is £228,000 based on an average investment portfolio of £14 million at an interest rate of 1.6%. The budget for debt interest paid in 2018/19 is currently nil as the Council does not have external loans. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

10. OTHER OPTIONS CONSIDERED

- 10.1 The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses will be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses will be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs will be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs will be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs will be less certain

Appendix A

Arlingclose Economic & Interest Rate Forecast November 2017

Underlying assumptions:

- In a 7-2 vote, the MPC increased Bank Rate in line with market expectations to 0.5%. Dovish accompanying rhetoric prompted investors to lower the expected future path for interest rates. The minutes re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.

- Further potential movement in Bank Rate is reliant on economic data and the likely outcome of the EU negotiations. Policymakers have downwardly assessed the supply capacity of the UK economy, suggesting inflationary growth is more likely. However, the MPC will be wary of raising rates much further amid low business and household confidence.
- The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. While recent economic data has improved, it has done so from a low base: UK Q3 2017 GDP growth was 0.4%, after a 0.3% expansion in Q2.
- Household consumption growth, the driver of recent UK GDP growth, has softened following a contraction in real wages, despite both saving rates and consumer credit volumes indicating that some households continue to spend in the absence of wage growth. Policymakers have expressed concern about the continued expansion of consumer credit; any action taken will further dampen household spending.
- Some data has held up better than expected, with unemployment continuing to decline and house prices remaining relatively resilient. However, both of these factors can also be seen in a negative light, displaying the structural lack of investment in the UK economy post financial crisis. Weaker long term growth may prompt deterioration in the UK's fiscal position.
- The depreciation in sterling may assist the economy to rebalance away from spending. Export volumes will increase, helped by a stronger Eurozone economic expansion.
- Near-term global growth prospects have continued to improve and broaden, and expectations of inflation are subdued. Central banks are moving to reduce the level of monetary stimulus.
- Geo-political risks remains elevated and helps to anchor safe-haven flows into the UK government bond (gilt) market.

Forecast:

- The MPC has increased Bank Rate, largely to meet expectations they themselves created. Future expectations for higher short term interest rates are subdued. On-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions.
- Our central case for Bank Rate is 0.5% over the medium term. The risks to the forecast are broadly balanced on both sides.
- The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

APPENDIX 2

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.19
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.00	0.00	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.15
3-month LIBID rate														
Upside risk	0.10	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.22
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	-0.10	-0.10	-0.15	-0.15	-0.15	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.20
1-yr LIBID rate														
Upside risk	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.27
Arlingclose Central Case	0.70	0.70	0.70	0.70	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.77
Downside risk	-0.15	-0.20	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.15	-0.26
5-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.80	0.85	0.90	0.90	0.95	0.95	1.00	1.05	1.10	0.89
Downside risk	-0.20	-0.20	-0.25	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
10-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.25	1.25	1.25	1.25	1.25	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.55	1.36
Downside risk	-0.20	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
20-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.85	1.85	1.85	1.85	1.85	1.90	1.90	1.95	1.95	2.00	2.05	2.05	2.05	1.93
Downside risk	-0.20	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.38
50-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.70	1.70	1.70	1.70	1.70	1.75	1.80	1.85	1.90	1.95	1.95	1.95	1.95	1.82
Downside risk	-0.30	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.39

Appendix B

Existing Investment & Debt Portfolio Position

	6 Dec 2017 Actual Portfolio £m	Average Rate %
Total External Borrowing	0	0
Other Long Term Liabilities:		
Finance Leases	0.0	
Total Gross External Debt		
Investments:		
<i>Managed in-house</i>		
<u>Long Term Investments</u>		
LAMIT Property Fund	3	4.5
Investec Diversified Income Fund	2	4.5
<u>Short-term investments</u>		
Term Deposits	4	0.37
Certificates of Deposit	1	0.47
Money Market Funds	9	0.46
Notice Reserve Accounts	2	0.4
Total Investments	(21)	
Net Debt	(21)	

TREASURY MANAGEMENT PRACTICES PRINCIPLES AND SCHEDULES

1. INTRODUCTION:

The CIPFA Code of Practice on Treasury Management in the Public Services (the Code) was last revised in November 2011. The Code requires the setting out of the responsibilities and duties of members and officers, allowing a framework for reporting and decision making on all aspects of treasury management. This Council had adopted the original Code and has similarly adopted the revised 2011 Code. The Code recommends the creation and maintenance of:

- A Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities,
- Suitable Treasury Management Practices setting out the manner in which the organisation will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

The Treasury Management Practices (TMPs) comprise:

TMP 1:	Risk management
TMP 2:	Performance measurement
TMP 3:	Decision-making and analysis
TMP 4:	Approved instruments, methods and techniques
TMP 5:	Organisation, clarity and segregation of responsibilities and dealing arrangements
TMP 6:	Reporting requirements and management information arrangements
TMP 7:	Budgeting, accounting and audit arrangements
TMP 8:	Cash and cash flow management
TMP 9:	Money laundering
TMP 10:	Training and qualifications
TMP 11:	Use of external service providers
TMP 12:	Corporate governance

Schedules supporting these practices and other documents held at an operational level specify the systems and routines to be employed and the records to be maintained in fulfilling the Council's treasury functions.

TMP 1: RISK MANAGEMENT

All treasury management activities involve both risk and the pursuit of reward or gain for the Council. The council's policies and practices emphasise that the effective identification, management and containment of risk are the prime objectives of treasury management activities.

The Director of Resources will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in **TMP6 Reporting requirements and management information arrangements**. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out as schedules below.

- 1) **Credit and Counterparty Risk Management:** the risk of failure by a counterparty to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or current (revenue) resources.

***Principle:** The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques, and listed in the schedule. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.*

Schedule:

Criteria to be used for creating/managing approved counterparty lists/limits	<p>The Director of Resources is responsible for setting a prudent criteria and the Council's treasury advisors will also provide guidance and assistance in setting the criteria.</p> <p>The criteria will be agreed by Finance and Corporate Services Committee.</p> <p>The Council's treasury management advisors will advise on credit policy and creditworthiness related issues. The Council will maintain a counterparty list based on its criteria and will monitor and update the credit standing of the institutions on a regular basis. This assessment will include consideration of credit ratings from all 3 ratings agencies and other alternative assessments of credit strength (for example, statements of potential government support which now includes resolution mechanisms for failing financial institutions, CDS information, the composition of an institution's balance sheet liabilities). The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.</p> <p>The credit rating criteria will also apply to securities issued by financial and non-financial institutions, which in some instances, might be higher than that of the issuing institution.</p> <p>Higher time and cash limits may be set for secured investments (e.g. those with underlying collateral or which are by regulation excluded from being bailed-in/restructured in the event of financial distress.)</p> <ul style="list-style-type: none"> - Where there is no investment-specific rating, but collateral upon which the investment secured is rated, then the higher of the collateral and counterparty rating will be used to determine time and cash limits.
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Approved methodology for changing limits and adding/removing counterparties	The Director of Resources has delegated responsibility to add or delete counterparties and to review limits within the parameters of the criteria detailed above.
Risk management : (a) creditworthiness deteriorates below the minimum criteria (b) ratings are placed on review for downgrade	<p>Where an entity's credit rating is downgraded so that it fails to meet the minimum criteria, then</p> <ul style="list-style-type: none"> - No new investments will be made, - Any existing investments that can be recalled or sold at no cost will be, and - Full consideration will be given to the recall or sale of other existing investments with the affected counterparty. <p>Where a credit rating is placed on review for possible downgrade (also termed 'rating watch negative' or 'credit watch negative') so that it may fall below the minimum approved credit criteria, then only investments that can be withdrawn on [the next working day] will be made with that organisation until the rating review has been completed and its outcome known.</p> <p>The policy in (b) will not apply for 'negative outlooks' which indicate a long-term direction of travel rather than a possibility of an imminent downgrade.</p>
Counterparty list and limits	<p>A full individual listing of banking counterparties based on the criteria will be maintained. As credit ratings etc. are subject to change without notice, an up-to-date lending list will be maintained on an ongoing basis.</p> <p>It may be impractical to have a pre-determined list of non-financial counterparties in whose securities investments might be made. The minimum credit rating criteria and whether the security is secured or unsecured will determine its selection for investment.</p> <p>No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the minimum credit rating criteria.</p>
Details of credit rating agencies' services and their application	The Council considers the ratings of all 3 ratings agencies (Standard & Poor's, Moody's and Fitch) when making investment decisions. Credit rating agency information is just one of a range of instruments used to assess creditworthiness of institutions.
Description of the general approach to collecting/using information other than credit ratings for counterparty risk assessment	<p>The Council's Treasury Advisor provides timely information on counterparties, in terms of credit rating updates and economic summaries. Credit default swap information is received monthly, as well as information on share price.</p> <p>The Council's Treasury Advisor also undertakes analysis on the balance sheet structure of key banking institutions to help inform the potential restructure (i.e. bail-in) of a bank's unsecured liabilities should this be required by the regulatory authorities.</p> <p>In addition, the Director of Resources reads quality financial press for information on counterparties.</p>

- 2) **Liquidity Risk Management:** the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business/service objectives will be thereby compromised.

Principle : *The Director of Resources will ensure the Council has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.*

The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

Schedule:

Cash flow and cash Balances	<p>The Council will aim for effective cash flow forecasting and monitoring of cash balances and will maintain an annual cash flow forecast.</p> <p>The Senior Accountant shall seek to optimise the balance held in the Council's main bank accounts at the close of each working day in order to minimise the amount of bank overdraft interest payable or maximise the amount of interest that can be earned by investing surplus funds.</p>
Short term investments	The Council uses various Current and Call Accounts and Money Market Funds to manage its liquidity requirements. These Accounts/Funds are named on the Council's approved counterparty list. The maximum balance on each of these accounts is reviewed and set as part of the Council's investment strategy.
Temporary Borrowing	<p>Temporary borrowing up to 364 days through the money market is available should there be a cash flow deficit at any point during the year.</p> <p>At no time will the outstanding total of temporary and long-term borrowing together with any bank overdraft exceed the Prudential Indicator for the Authorised Borrowing Limit agreed by the Council before the start of each financial year.</p>
Bank Overdraft and standby facilities	The Council has no authorised overdraft limit with its bankers.

- 3) **Interest Rate Risk Management:** The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

***Principle:** The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements.*

Schedule:

Minimum/ maximum proportions of fixed/variable rate debt/interest	<p>Borrowing/investments may be at a fixed or variable rate.</p> <p>The Prudential Code requires the Council to determine each year the maximum proportion of interest payable on net borrowing which is subject to fixed and variable interest rates. This is set each year as part of the annual budget setting process.</p> <p>In setting its forward Treasury Strategy on an annual basis, the Council will determine the necessary degree of certainty required for its plans and budgets but will, at the same time, allow sufficient flexibility to enable it to benefit from potentially advantageous changes in market conditions and level of interest rates and also to mitigate the effects of potentially disadvantageous changes.</p> <p>The Council will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility.</p> <p>The Council may determine it is more cost effect in the short-term to fund its borrowing requirement through the use of internal resources ('internal borrowing') or through borrowing short-term loans. The benefits of such borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing or refinancing in future years when interest rates are expected to be</p>
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	higher.
Managing changes to interest rate levels	<p>The main impact of changes in interest rate levels is to monies borrowed and invested at variable rates of interest.</p> <p>Interest rate forecasts are provided by the Council's treasury advisors and are closely monitored by the Finance Manager. Variations from original estimates and their impact on the Council's debt and investments are notified to the Finance and Corporate Services Committee as necessary.</p> <p>For its investments, the Council also considers dealing from forward periods dependent upon market conditions. The Council's counterparty term limits will apply and will include the forward period of the investment.</p>

- 4) **Exchange Rate Risk Management:** The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances against which the Council has failed to protect itself adequately.

Principle: The Council will manage any exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

Schedule:

Exchange rate risk management	This Council does not, on a day to day basis, have foreign currency transactions or receipts. Unexpected receipt of foreign currency will be converted to sterling at the earliest opportunity.
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- 5) **Refinancing Risk Management:** The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

Principle: The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

Schedule:

Projected capital investment requirements	<p>4 year projections are in place for capital expenditure and its financing or funding. Financing will be from capital receipts, reserves and any grants or contributions awarded, revenue resources or reserves. Funding will be from internal or external borrowing, as decided.</p> <p>The Council's projected long-term borrowing requirement will be linked to the projected Capital Financing Requirement.</p>
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Debt profiling, policies and practices	Any longer term borrowing will be undertaken in accordance with the Prudential Code and will comply with the Council's Prudential Indicators and the Annual Treasury Management Strategy. Where the lender to the Council is a commercial body the Council will aim for diversification in order to spread risk and avoid over-reliance on a small number of counterparties.
Policy concerning limits on revenue consequences of capital financings	The revenue consequences of financing the capital programme are included in cash flow models, annual revenue estimates and medium term forecasts.

- 6) **Legal and Regulatory Risk Management:** The risk that the Council itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

Principle: The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1(1) Credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

Schedule:

References to relevant statutes and regulations	<p>The treasury management activities of the Council shall comply fully with legal statute and the regulations of the Council. These are:</p> <ul style="list-style-type: none"> ▪ CIPFA's Treasury Management Code of Practice 2011 and subsequent amendments ▪ CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities ▪ CIPFA Prudential Code for Capital Finance in Local Authorities and subsequent amendments ▪ CIPFA Standard of Professional Practice on Treasury Management ▪ The Local Government Act 2003 ▪ The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003 No 3146, and subsequent amendments ▪ Pensions, England and Wales - The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 - SI 2009 No 3093 ▪ The CLG's statutory Guidance on Minimum Revenue Provision (MRP) ▪ The ODPM's (now CLG's) Guidance on Local Government Investments in England issued March 2004 and subsequent amendments ▪ The Local Authorities (Contracting out of Investment Functions) Order 1996 SI 1996 No 1883 ▪ LAAP Bulletins ▪ Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (from 2010/11 onwards) ▪ Accounts and Audit Regulations 2015, as amended together with CLG's Guidance ▪ The Non Investment Products Code (formerly known as The London Code of
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	<p>Conduct) for principals and broking firms in the wholesale markets</p> <ul style="list-style-type: none"> ▪ Council's Constitution including:- <ul style="list-style-type: none"> ○ Standing Order relating to Contracts ○ Financial Regulations ○ Scheme of Delegation
Procedures for evidencing the organisation's powers/ authorities to counterparties	<p>The Council's Financial Regulations contain evidence of the power/ authority to act as required by section 151 of the Local Government Act 1972, under the general direction of the Finance and Corporate Services Committee.</p> <p>The Council will confirm, if requested to do so by counterparties, the powers and authorities under which the Council effects transactions with them.</p> <p>Where required, the Council will also establish the powers of those with whom they enter into transactions, including any compliance requirements in respect of a duty of care and best practice.</p>
Required information from counterparties concerning their powers/ authorities	<p>Lending shall only be made to institutions on the Council's authorised lending list or in securities which meet the Council's approved credit criteria.</p> <p>The Council will only undertake borrowing from approved sources such as the PWLB (and its successor body), organisations such as the European Investment Bank and from commercial banks who are on the Council's list of authorised institutions, thereby minimising legal and regulatory risk. The list of approved sources of borrowing are contained in TMP 4.</p>
Statement on political risks and management of the same	<p>Political risk is managed by:</p> <ul style="list-style-type: none"> • adoption of the CIPFA Treasury Management Code of Practice • adherence to Corporate Governance (<u>TMP 12 - Corporate Governance</u>)

- 7) **Fraud, Error and Corruption, and Contingency Management:** The risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk referred to as operational risk.

***Principle:** The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.*

Schedule:

Details of systems and procedures to be followed, including Internet services	<p>Segregation of duties minimises the possibility of fraud and loss due to error, and is detailed in TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements.</p> <p>1. <u>Electronic Banking and Dealing</u></p> <p>(a) <u>Banking</u>: The Council's online banking service provided by Nat West is subject to separate log-on and password control allowing varying levels of access. Details of transactions and balances are available as required, and the system also holds historic data. Officers having access to the bank's online system are as follows:</p> <ul style="list-style-type: none"> • Financial Services • Audit • IT <p>Officer access is reviewed at least 6 monthly or as necessary.</p>
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	<p>2. <u>Standard Settlement Instructions (SSI)</u> list :</p> <ul style="list-style-type: none"> • Brokers and counterparties with whom the Council deals direct are provided a copy of the SSI's. • Named officers will have authority to borrow from the PWLB and invest with the Debt Management Agency Deposit Facility. <p>3. <u>Payment Authorisation</u> :</p> <ul style="list-style-type: none"> • Payments can only be authorised by agreed signatories of the Council, the list of signatories having previously been agreed with the Council's bank. • Inflow and outflow of monies borrowed and invested will only be from the counterparty's bank accounts.
Verification	<p>Loans and investments will be maintained on spreadsheets</p> <p>Transactions will be cross-checked against broker notes, counterparty confirmations and PWLB loan schedules by verifying dates, amounts, interest rates, maturity, interest payment dates etc.</p> <p>When receiving requests for change of payment details, due care will be exercised to ascertain the bona fide of the request and avoid potential fraud. Additional checks will be made through pre-existing contact details for the payee (and not those on the notice received for change of payment details) before altering payment details.</p>
Substantiation	<p>1. The Treasury Management system balances are reconciled with financial ledger codes at the end of each month and at the financial year end.</p> <p>2. Working papers are retained for audit inspection.</p> <p>3. The bank reconciliation is carried out monthly from the bank statement to the financial ledger.</p>
Internal Audit	<p>Internal Audit carry out an annual regulatory review of the treasury management function including probity testing. See <u>TMP7 Budgeting, accounting and audit arrangements</u>.</p>
Contingency Management	<p>1. All treasury spreadsheets are retained on the Council's network. Daily back-ups are taken and maintained and network back-ups can be used by the IT services department to restore files, if necessary.</p> <p>2. Network backups are held off site in a secure location.</p> <p>3. Temporary off-site working facility: The officers who can avail of this facility following an emergency are Finance Manager and Senior Accountant who will individually be made aware of the procedures to follow.</p> <p>4. Electronic Banking System Failure : Balance details will be obtained by phone from the Banks Corporate Service Team. Instructions for CHAPS (Clearing House Automated Payment System) payments will be made by FAX</p> <p>5. The Business Continuity Plan is maintained by the Finance Manager.</p>

Insurance Cover details	The Council has Crime cover. Details of the provider and cover are held by the Senior Accountant
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- 8) **Market Risk Management:** This is the risk that, through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

***Principle:** This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.*

Schedule:

Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (gilts, CDs etc.)	<p>Investment instruments used by the external fund managers are subject to fluctuation in capital movements and exposed to interest rate risk. In order to minimise these risks capital preservation is set as the primary objective and pursuit of investment performance should be commensurate with this objective.</p> <p>Pooled funds with a Constant Net asset Value (CNAV) - The Council currently uses pooled funds as per its Treasury Management Strategy and on advice from its treasury advisors.</p> <p>Additionally the following risk control guidelines are set for each fund as part of the fund management agreement to control market risk :</p> <ul style="list-style-type: none"> (a) Maximum weighted average duration of the fund; (b) Maximum permitted exposure to gilts/bonds; (c) Maximum maturity of any instrument.
Accounting for unrealised gains/losses	The method of accounting for unrealised gains or losses on the valuation of financial assets comply with Accounting Code of Practice.

TMP 2: PERFORMANCE MEASUREMENT

Principle: *The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.*

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, or the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out below.

Schedule:

Policy concerning methods for testing value for money	<p>Best value reviews will include the production of plans to review the way services are provided by</p> <ul style="list-style-type: none"> ▪ Challenging ▪ Comparing performance ▪ Consulting with other users and interested parties ▪ Applying competition principles <p>in order to pursue continuous improvement in the way the Council's functions are exercised, having regard to a combination of value for money, efficiency and effectiveness.</p>
Policy concerning methods for performance measurement	<ul style="list-style-type: none"> • Performance measurement at this Council is intended to calculate the effectiveness of treasury activity in delivering the strategic objectives set through the Treasury Management Strategy and the Council's Prudential Indicators and to enhance accountability. • Prudential Indicators are local to the Council and are not intended as a comparator between authorities. • The performance review will be made in the light of general trends in interest rates during the year and how the decisions made corresponded with these trends and the Council's agreed strategy, i.e. the Council will avoid hindsight analysis. <p>Any comparison of the Council's treasury portfolio against recognised industry standards, market indices and other portfolios is intended to:</p> <ul style="list-style-type: none"> (i) allow the Council the opportunity to assess the potential to add value through changes to the existing ways in which its portfolio is managed and (ii) permit an informed judgement about the merits or otherwise of using new treasury management techniques or instruments. <p>In drawing any conclusions the Council will bear in mind that the characteristics of its treasury operations may differ from those of other councils, particularly with regard to the position on risk.</p>
Methodology to be applied for evaluating the impact of treasury management decisions	<p>Monitoring of the outcome of treasury management activity against Prudential Indicators approved by the Council will be carried out.</p> <p>The year-end Annual Treasury Report will also include, as a matter of course, the outturn against the PIs set prior to the commencement of the financial year and any in-year amendments.</p> <p>The Councils Treasury Management advisors compare the performance of the Councils in-house funds against all its other clients and submits the results quarterly.</p>

Methodology to be employed for measuring the performance of the Council's treasury management activities	<p>Treasury management activity is reported annually against strategy and prevailing economic and market conditions. The report will include</p> <ul style="list-style-type: none"> a) Total debt including average rate and maturity profile (where appropriate) b) The effect of new borrowing and/or maturities on the above c) The effect of any debt restructuring on the debt portfolio d) Total investments including average rate, credit and maturity profile e) The effect of new investments/redemptions/maturities on the above f) The rate of return on investments against their indices for internally and externally managed funds g) An analysis of any risks inherent within the investment portfolio (e.g. exposure to market movements in the value of CDs, gilts/bonds, callable deposits in their call period) h) A statement whether the treasury management activity resulted in a breach of the Prudential Indicators and other limits set within treasury strategy.
Best value	<p>The treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated corporate and service objectives.</p> <p>When tendering for treasury-related or banking services, the Council adheres to its Financial Regulations. These require that :</p> <ul style="list-style-type: none"> a) For a contract with a value below an agreed threshold, at least 1 but preferably 3 quotes and service delivery proposals are obtained b) For a contract with a value above an agreed threshold but below an agreed tender threshold, at least 3 written quotes and service delivery proposals are obtained c) For a contract above an agreed tender threshold but below the EU threshold a tender exercise in line with CIPFA best practice is performed. d) When placing a contract with a value in excess of the EU Threshold a tendering process that meets the requirements of the EU procurement procedures (OJEU) is undertaken. e) If necessary, the Council will also consult with other users of similar services as well as with interested parties. f) The Council will also evaluate alternative methods of the availability of fiscal, grant or subsidy initiatives, and service delivery.

TMP 3: DECISION-MAKING AND ANALYSIS

Principle: *The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed below.*

Schedule:

Major treasury decisions	<p>As a public service organisation, there is a requirement to demonstrate openness and accountability in treasury management activities. Accordingly, the Council will create and maintain an audit trail of major treasury management decisions which comprise either :</p> <ul style="list-style-type: none"> a) Options Appraisal to determine a funding decision b) raising a new long-term loan / long-term source of finance c) prematurely restructuring/redeeming an existing long-term loan(s) d) investing longer-term (i.e. in excess of 1 year) e) utilisation of investment instruments which constitute capital expenditure (i.e. loan capital/share capital in a body corporate) f) leasing g) change in banking arrangements h) appointing/replacing a treasury advisor i) appointing/replacing a fund manager
Process	The Council's strategy for the application of its treasury policy is set out in the annual Treasury Management Strategy.
Delegated powers for treasury management	The Director of Resources has delegated powers to carry out the Council's strategy for debt management, capital finance and borrowing, depositing surplus funds and managing the cash flows of the Council.
Issues to be addressed, evaluation, authorisation	<p>In exercising these powers, the Director of Resources and those to whom the treasury activity have been delegated will</p> <ul style="list-style-type: none"> • have regard to the nature and extent of any associated risks to which the Council may become exposed; • be certain about the legality of the decision reached and that the necessary authority to proceed has been obtained; • be satisfied that the documentation is adequate to deliver the Council's objectives, protect the Council's interests, and to maintain an effective audit trail; • ensure that the perceived credit risk associated with the approved counterparties is judged satisfactory and is within agreed limits; • be satisfied that the terms of any transactions have been fully checked against the market, and have been found to be competitive; • follow best practice in implementing the treasury transaction. <p>In exercising Borrowing and Funding decisions, the Director of Resources will :</p> <ul style="list-style-type: none"> • evaluate economic and market factors that may influence the manner and timing of any decision to fund; • consider alternative forms of funding, including use of revenue resources, leasing and private partnerships; • consider the use of internal resources and/or the most appropriate periods to fund and repayment profiles to use; • consider ongoing revenue liabilities created; • where applicable, monitor regularly the benefits of internal borrowing against the potential for incurring additional costs by deferring borrowing into future years • consider the alternative interest rate bases available, the most

	<p>appropriate periods to fund and repayment profiles to use;</p> <ul style="list-style-type: none"> consider ongoing revenue liabilities created. <p>In exercising Investment decisions, the Director of Resources will :</p> <ul style="list-style-type: none"> Determine that the investment is within the Council's strategy and pre-determined instruments and criteria; consider the optimum period, in the light of core balances and reserves, cash flow availability and prevailing market conditions; consider the alternative investment products and techniques available if appropriate.
Processes to be followed	The processes to be followed will be in keeping with TMP 4: The Council's Approved, Instruments, Methods and Techniques.
Evidence and records to be kept	<p>The Council will maintain a record of all major treasury management decisions, the processes undertaken and the rationale for reaching the decision made. These will allow for an historical assessment of decisions made and verification that any checks and safeguards are indeed in place and operating correctly.</p> <p>Records and working papers will be maintained by the Council electronically and in relevant files.</p>

TMP 4: APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

***Principle:** The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in **TMP1 Risk Management**.*

Schedule:

Approved treasury management activities	<p>The Council is permitted to undertake the following activities:</p> <ul style="list-style-type: none"> ▪ Managing cashflow ▪ Capital financing ▪ Borrowing including debt restructuring and debt repayment ▪ Lending including redemption of investments ▪ Banking ▪ Leasing ▪ Managing the underlying risk associated with the Council's capital financing and surplus funds activities. <p>The above list is not finite and the Council would, from time to time, consider and determine new financial instruments and treasury management techniques; however, the Council will consider carefully whether the officers have the skills and experience to identify and manage the advantages and risks associated with using the instruments/techniques before undertaking them, more so as some risks may not be wholly or immediately transparent.</p>
Approved capital financing methods and types/sources of funding	<p><u>On balance sheet</u></p> <ul style="list-style-type: none"> • Public Works Loans Board (PWLB) loans and loans from its successor body • long term money market loans including Lender Option Borrower Options (LOBOs) • temporary money market loans (up to 364 days). • bank overdraft • loans from bodies such as the European Investment Bank (EIB) • Stock issues • Finance Leases • Deferred Purchase • Government and EU Capital Grants • Lottery monies • Other Capital Grants and Contributions ▪ PFI ▪ Operating and finance leases ▪ Hire purchase ▪ Sale and leaseback <p><u>Internal Resources</u></p> <ul style="list-style-type: none"> • Capital Receipts • Revenue Balances • Use of Reserves <p><u>Off balance sheet</u></p> <ul style="list-style-type: none"> ▪ Operating Leases ▪ Structured Finance <p>The level of debt will be consistent with the Treasury Management Strategy and the Prudential Indicators.</p>

Approved investment instruments	<p>The Council will determine through its Annual Investment Strategy (AIS) which instruments it will use, giving priority to the security and liquidity (in that order) of its invested monies. The investments will be categorised as 'Specified' or 'Non Specified' based on the criteria set out by the ODPM (now CLG) in its Investment Guidance March 2004 (as amended).</p> <p>The Council will determine through the AIS which instruments will be used in-house and which will be used by the appointed external fund manager(s) including the maximum exposure for each category of non-specified investments. Where applicable, the Council's credit criteria will also apply.</p> <p>Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks.</p> <p><u>Banks Secured:</u> Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies.</p> <p><u>Government:</u> Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks.</p> <p><u>Corporates:</u> Loans, bonds and commercial paper issued by companies other than banks and registered providers.</p> <p><u>Registered Providers:</u> Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations.</p> <p><u>Pooled Funds:</u> Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. Money Market Funds that offer same-day liquidity and aim for a constant net asset value.</p> <p><u>Bond, equity and Property Funds</u></p>
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TMP 5: ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

***Principle:** The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.*

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Director of Resources will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The Director of Resources will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Director of Resources will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule below.

The Director of Resources will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule below.

The delegations to the Senior Accountant in respect of treasury management are set out in the schedule below. The Senior Accountant will fulfil all such responsibilities in accordance with the organisation's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

Schedule:

Limits to responsibilities at Executive levels	<p>Full Council</p> <ul style="list-style-type: none"> • budget consideration and approval <p>Finance and Corporate Services committee:</p> <ul style="list-style-type: none"> • receiving and reviewing Prudential Indicators as part of the budget setting process • receiving and reviewing reports on treasury management policies, practices and activities • approval of amendments to adopted clauses, treasury management policy statement and treasury management practices • receiving and reviewing external audit reports and acting on recommendations • approving the selection of external service providers and agreeing terms of appointment
Principles and practices concerning segregation of duties	<p>The segregation of duties will be determined by the Director of Resources.</p> <p>Segregation of duties exists in that:</p> <ul style="list-style-type: none"> • the officer(s) responsible for negotiating and closing treasury management deals is separate from officer(s) authorising payments • all borrowing/investments decisions must be authorised by the Director of Resources.

Statement of duties/ responsibilities of each treasury post	<p>Examples:</p> <p>The Director of Resources :</p> <ul style="list-style-type: none"> • submitting budgets and budget variations • recommending clauses, treasury management policy, practices for approval, reviewing the same regularly and monitoring compliance • determining Prudential Indicators and Treasury Management Strategy including the Annual Investment Strategy • submitting regular treasury management policy reports • receiving and reviewing management information reports • reviewing the performance of the treasury management function and promoting best value reviews • ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function • recommending the appointment of external service providers • determining long-term capital financing and investment decisions. • The Director of Resources has delegated powers to determine and undertake the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments. • The Director of Resources may delegate their power to borrow and invest to members of his staff <p>Chief Executive</p> <ul style="list-style-type: none"> • ensuring the adequacy of internal audit and liaising with external audit <p>Senior Accountant</p> <ul style="list-style-type: none"> • execution of transactions • adherence to agreed policies and practices on a day to day basis • maintaining relationships with third parties and external service providers • monitoring performance on a day to day basis • submitting management information reports to the responsible officer • identifying and recommending opportunities for improved practices. • recording treasury management transactions, • reconciling treasury management transactions with the financial ledger • recording/reconciling counterparty documentation.
Absence cover arrangements	<p>In the absence of the Director of Resources the Chief Executive will assume their responsibilities.</p> <p>In the absence of the Senior Accountant the Finance Manager will provide cover.</p> <p>Cover is reviewed as necessary.</p> <p>Full procedure notes are available, detailing the processes required to enable the day to day operation of the treasury management function.</p>

Dealing

Authorised officers	<p>Responsible officer for borrowing/investment decisions :</p> <p>Borrowing activity: <i>Senior Accountants</i></p> <p>Lending activity : <i>Senior Accountants</i></p> <p>Authorising payments for borrowing/lending : <i>Directors</i></p> <p>Transaction recording : <i>Senior Accountants</i></p>
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Dealing limits	<p>Internally Managed Investments:</p> <ul style="list-style-type: none"> the maximum for any one investment deal is £3 million (subject to the lending limits detailed in the Council's Annual Investment Strategy.)
List of approved brokers	Brokers used by the Council are named in TMP 11 : External Service Providers
Policy on brokers' services	It is the Council's policy to utilise the services between at least two brokers. The Council will maintain a spread of business between them in order to avoid relying on the services of any one broker.
Policy on taping of conversations	Conversations with brokers may be taped by the brokers.
Direct dealing practices	<p>Direct dealing is carried out with institutions and with external pooled funds identified in the Operational Schedule subject to counterparty and maturity limits and dealing limits.</p> <p>Prior to undertaking direct dealing, the Council will ensure that each counterparty/fund has been provided with the Council's list of authorised dealers and the Council's Standard Settlement Procedures.</p>
Settlement transmission procedures	<ul style="list-style-type: none"> settlements are made by CHAPS. all CHAPS payments relating to settlement transactions require authorisation by a designated officer all CHAPS payments require 2 bank signatures the details are transmitted electronically to the Council's bankers.
Documentation requirements	<p>For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payments date(s), broker.</p> <p>Investments</p> <ul style="list-style-type: none"> deal ticket authorising the investment confirmation from the broker confirmation from the counterparty Contract notes for purchase and sale of shares/units in pooled funds from the fund's manager/administrator Chaps payment transmission document <p>Loans:</p> <ul style="list-style-type: none"> deal ticket with signature to agree loan confirmation from the broker confirmation from PWLB/market counterparty Chaps payment transmission document for repayment of loan.

TMP 6: REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

Principle: *The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.*

As a minimum, the Finance and Corporate Services Committee will receive:

- An annual report on the strategy and plan to be pursued in the coming year
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.
- A mid year review of Treasury activity

The present arrangements and the form of these reports are outlined below.

Schedule:

Frequency of executive reporting requirements	<p>The Director of Resources will annually submit budgets and will report on budget variations as appropriate.</p> <p>The Director of Resources will submit the Prudential Indicators and the Treasury Strategy Statement (including Annual Investment Strategy) and report on the projected borrowing and investment strategy and activity for the forthcoming financial year to the Finance and Corporate Services committee before the start of the year.</p> <p>The Annual Treasury Report will be prepared as soon as practicable after the financial year end and, in all cases, before the end of September.</p> <p>A Mid-Year Treasury Report will be prepared by the Director of Resources, which will report on treasury management activities for the first part of the financial year. The Mid-Year Report will be submitted to Finance and Corporate Services during the year.</p>
Content of Reporting: 1. Prudential Indicators	<p>The Council will set the following Prudential Indicators, revise if necessary, and following the year end publish actual (where appropriate) in respect of :</p> <ul style="list-style-type: none"> ▪ Financing costs as a proportion of net revenue stream (estimate; actual) ▪ Capital expenditure (estimate; actual) ▪ Incremental impact of capital financing decisions (estimate) ▪ Capital Financing Requirement (estimates; actual) ▪ Authorised limit for external debt ▪ Operational boundary for external debt ▪ Actual external debt <p>The Prudential Indicators are approved and revised by Finance and corporate Services Committee and are integrated into the Council's overall financial planning and budget process.</p>

2. Treasury Strategy Statement including the Annual Investment Strategy	<p>The Treasury Strategy Statement integrates with the Prudential Indicators being set and will include the following:</p> <ul style="list-style-type: none"> • Link to Capital Financing and Treasury Management Prudential Indicators for the current and ensuing three years • Strategy for financing new borrowing requirements (if any) and refinancing maturing borrowing (if any) over the next three years and for restructuring of debt • the extent to which surplus funds are earmarked for short term requirements • the investment strategy for the forthcoming year(s) (<i>see below*</i>) • the minimum to be held in short term/specified investment during the coming year • the interest rate outlook against which the treasury activities are likely to be undertaken. <p>*Based on the ODPM's (now CLG's) Guidance on Investments, the Council will produce an Annual Investment Strategy (AIS) which sets out</p> <ul style="list-style-type: none"> ▪ the objectives, policies and strategy for managing its investments; ▪ the determination of which Specified and Non Specified Investments the Council will utilise during the forthcoming financial year(s) based on the Council's economic and investment outlook and the expected level of investment balances; ▪ the limits for the use of Non-Specified Investments. <p>The AIS will be integrated into the Treasury Strategy Statement.</p>
3. Annual Treasury Report	<p>The Director of Resources will produce an annual report for the Finance and Corporate Services Committee on all activities of the treasury management function (including the performance of fund managers) as soon as practicable after year end and in all cases no later than 30 September of the succeeding financial year.</p> <p>The main contents of the report will comprise :</p> <ul style="list-style-type: none"> ▪ confirmation that the Council calculated its budget requirements and set a balanced budget for the FY; ▪ the prevailing economic environment ▪ a commentary on treasury operations for the year, including their revenue effects; ▪ commentary on the risk implications of treasury activities undertaken and the future impact on treasury activities of the Council ▪ compliance with agreed policies/practices and statutory/regulatory requirements ▪ compliance with Prudential Indicators; ▪ performance measures.
Content and frequency of management information reports	<p>The Director of Resources will produce a half yearly monitoring report for the Finance and Corporate Services Committee</p> <p><i>Example :</i> This report includes details of :</p> <ul style="list-style-type: none"> • borrowing and investment activity undertaken including forward deals • performance of investments against benchmark • extent of compliance with the treasury strategy and reasons for variance (if any)
5. Scrutiny	<p>The Director of Resources will present the Treasury Strategy Statement to the Overview and Scrutiny committee prior to agreement by the Finance and Corporate Services Committee.</p> <p>The Overview and Scrutiny Committee will have responsibility for the scrutiny of treasury management policies and practices (TMP's)</p>

TMP 7: BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

Principle: *The Director of Resources will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with **TMP1 Risk management**, **TMP2 Performance measurement**, and **TMP4 Approved instruments, methods and techniques**. The form which the Council's budget will take is set out in the schedule below.*

*The Director of Resources will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with **TMP6 Reporting requirements and management information arrangements**.*

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. The present form of the Council's accounts is set out in the schedule.

Schedule:

Statutory/regulatory requirements	<p>Balanced Budget Requirement: The provisions of S32 and S43 of the Local Government Finance Act 1992 require this Council to calculate its budget requirement for each financial year including, among other aspects,;</p> <p>(a) the expenditure which is estimated to be incurred in the year in performing its functions and which will be charged to a revenue account and</p> <p>(b) revenue costs which flow from capital financing decisions.</p> <p>S33 of the Act requires the Council to set a council tax sufficient to meet expenditure after taking into account other sources of income.</p>
Proper accounting practice	CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom (the local authority code) constitutes "proper accounting practice under the terms of S21 (2) of the Local Government Act 2003".
Financial Statements	<p>The Financial Statements comprise:</p> <ul style="list-style-type: none"> ▪ A Narrative Statement ▪ Accounting policies, changes in accounting estimates and errors ▪ Presentation of financial statements ▪ Movement in reserves statement ▪ Comprehensive income and expenditure statement ▪ Balance sheet ▪ Cash flow statement ▪ Collection Fund (England) ▪ Statement of Responsibilities ▪ The Accounting Statements ▪ Notes to the financial statements ▪ Statements reporting reviews of internal controls or internal financial controls ▪ Events after the reporting period ▪ Related party disclosures
Format of the Council's accounts	The current form of the Council's accounts is available within the Finance department.

Disclosures relating to treasury management	Due regard will be given to the disclosure requirements under CIPFA's Accounting Code of Practice.
Treasury-related information requirements of external auditors	<p>The following information is specifically requested by the external auditor and should be considered an initial request for information. It is usually followed by more detailed audit testing work which often requires further information and/or explanations from the Council's officers.</p> <p>Information in this context includes internally generated documents, externally generated documents, observation of treasury management practices which support and explain the operation and activities of the treasury management function.</p> <ul style="list-style-type: none"> ▪ Determination of Affordable Borrowing Limit under Section 3 of the Local Government Act 2003. ▪ Prudential Indicators. ▪ Treasury Management Strategy including Annual Investment Strategy. <p><u>External borrowing:</u></p> <ul style="list-style-type: none"> • New loans borrowed during the year : PWLB certificates / documentation in relation to market loans borrowed (including copy of agreements, schedule of commitments) • Loan maturities. • Compliance with proper accounting practice, regulations and determinations for the amortisation of premiums and discounts arising on loans restructured during the year and previous years. • Analysis of loans outstanding at year end including maturity analysis. • Analysis of borrowing between long- and short-term • Debt management and financing costs <ul style="list-style-type: none"> ▪ calculation of (i) interest paid (ii) accrued interest ▪ interest paid • MRP calculation and analysis of movement in the CFR. • Bank overdraft position. • Brokerage/commissions/transaction related costs. <p><u>Investments:</u></p> <ul style="list-style-type: none"> • Investment transactions during the year including any transaction-related costs • cash and bank balances at year end • Short-term investments at year end • Long-term investments at year end (including investments in associates and joint ventures) by asset type, including unrealised gains or losses at year end • calculation of (i) interest received (ii) accrued interest • actual interest received • External fund manager valuations including investment income schedule and movement in capital values, transaction confirmations received (if any) • Basis of valuation of investments • Evidence of existence and title to investments (e.g. Custodian's Reports • Schedule of any investments in companies together with their latest financial statements); statement of transactions between the company and the Council.

	<p><u>Cash Flow</u></p> <ul style="list-style-type: none"> ▪ Reconciliation of the movement in cash to the movement in net debt ▪ Cash inflows and outflows (in respect of long-term financing) ▪ Cash inflows and outflows (in respect of purchase/sale of long-term investments) ▪ Net increase/decrease in (i) short-term loans (ii) short-term deposits (iii) other liquid resources <p><u>Other</u></p> <p>Details of (treasury-related) material events after balance sheet date not reflected in the financial statements.</p> <ul style="list-style-type: none"> ▪ External advisors’/consultants’ charges
Internal Audit	<p>Internal Audit generally conducts an annual review of the treasury management function and probity testing.</p> <p>The internal auditors will be given access to treasury management information/documentation as required by them.</p>
Compliance with CIPFA Treasury Management and Prudential Codes	<p>Auditors may require evidence/demonstration of compliance with external and internal treasury management policies and strategy.</p> <p>Any serious breach of the TM Code’s recommendations or Prudential Indicators should be brought to the attention of the external auditor.</p>
Costs for treasury management	<p>The budget for treasury management forms part of the Financial Services budget.</p>

TMP 8: CASH AND CASH FLOW MANAGEMENT

Principle: Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Director of Resources, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Director of Resources will ensure that these are adequate for the purposes of monitoring compliance with **TMP1 [2] liquidity risk management**. The present arrangements for preparing cash flow projections and their form are set out in the schedule below.

Schedule:

Arrangements for preparing /submitting cash flow statements	<p>A Cash flow forecasts will be used to formulate the Council's borrowing and investment strategy by identifying periods of surplus or shortfall of cash balances during the year.</p> <p>The cash flow forecasts and statements are held at operational level.</p> <p>The accuracy and effectiveness of the Council's cash flows are dependent on the accuracy of estimating expenditure, income and their corresponding time periods.</p> <p>Daily cash flows show forecast and planned movements of cash on a daily basis, including the matching of known inflows and payments. This is recorded in the Investments spreadsheet (IOSF yyyy-yyyy)</p>
Content and frequency of cash flow projections	<p>The detailed annual cash flow model includes the following:</p> <ul style="list-style-type: none"> • revenue income and expenditure based on the budget. • profiled capital income and expenditure as per the capital programme. <p>Revenue activities:</p> <p><u>Inflows:</u></p> <ul style="list-style-type: none"> ▪ Revenue Support Grant ▪ Precepts received ▪ Non domestic rates receipts ▪ Council tax receipts ▪ Housing subsidy ▪ DSS / other government grants ▪ Cash for goods and services ▪ Other operating cash receipts <p><u>Outflows:</u></p> <ul style="list-style-type: none"> ▪ Salaries and payments on behalf of employees ▪ Operating cash payments ▪ Housing Benefit paid ▪ Precepts paid ▪ NDR payments <p>Capital activities including financing</p> <p><u>Inflows:</u></p> <ul style="list-style-type: none"> ▪ Capital grants received ▪ Sale of fixed assets ▪ Other capital cash receipts <p><u>Outflows:</u></p> <ul style="list-style-type: none"> ▪ Purchase of fixed assets ▪ Purchase of long-term investments ▪ Other capital cash payments

Monitoring, frequency of cash flow updates	<p>The annual cash flow statement is updated periodically with the actual cash inflows and outflows after taking account of any revisions including those relating to grant income and capital expenditure and will be reconciled with :</p> <ul style="list-style-type: none"> • net RSG and NNDR payments as notified; • county council and police authority precepts as notified; • actual salaries and other employee costs paid from account bank statements; • actual payments to Inland Revenue from general account bank statements; • actual council tax received from general account bank statement; • actual rent allowances paid from payments account bank statement; • actual housing benefit and housing subsidy grant received from CLG; • actual capital programme expenditure and receipts.
Bank statements procedures	<p>The Council accesses its bank statements online and these are downloaded on a daily basis. The statements are processed and posted independently to the treasury function and are reconciled to the general ledger on a monthly basis.</p>
Payment scheduling	<p>The Council has a policy of paying suppliers in line with agreed terms of trade and the following service standards:</p> <ul style="list-style-type: none"> • <i>Undisputed invoices are to be paid within 30 days.</i>
Monitoring debtor/ creditor levels	<p>Debtor levels are monitored by a monthly Sundry Debtors Monitoring Report to the Finance Manager which will include an analysis of debt by age and details and details of recovery status.</p>
Banking of funds	<p>Instructions for the banking of income are set out in the Financial Regulations. Cheques received in the customer services section are banked daily. Generally the council does not take cash payments.</p> <p>All the Council's sections are advised of the requirement to bank on a regular basis in order to comply with recommended best practice and also remain within the particular insurance limits for the Council's premises.</p>

TMP 9: MONEY LAUNDERING

Background: The Proceeds of Crime Act (POCA) 2002 consolidated, updated and reformed criminal law in the UK in relation to money laundering. The principal offences relating to money laundering are:

- Concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- Being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention use or control of criminal property
- Acquiring, using or possessing criminal property.

Other offences include failure to disclose money laundering offences, tipping off a suspect either directly or indirectly, and doing something that might prejudice an investigation.

Organisations pursuing relevant businesses were required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions.

In December 2007, the UK Government published the Money Laundering Regulations 2007, which replaced the 2003 Regulations.

CIPFA believes that public sector organisations should “embrace the underlying principles behind the money laundering legislation and regulations and put in place anti money laundering policies, procedures and reporting arrangements appropriate and proportionate to their activities”.

Principle: *The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule below.*

Schedule:

Anti money laundering policy	<p>This Council’s policy is to prevent, wherever possible, the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.</p> <p>The Council has accepted responsibility to ensure that those of its staff who are most likely to be exposed to money laundering can make themselves fully aware of the law and, where necessary, are suitably trained.</p>
Nomination of Responsible Officer(s)	<p>(a) The Council nominates Internal Audit function to be the responsible body to whom any suspicions relating to transactions involving the Council will be communicated.</p> <p>(b) The responsible officer will be conversant with the requirements of the Proceeds of Crime Act 2002 and will ensure relevant staff are appropriately trained and informed so they are alert for suspicious transactions.</p> <p>(c) The responsible officer will make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it, to make internal enquiries and to make reports, where necessary, to National Criminal Intelligence Services (NCIS).</p>

<p>Procedures for establishing the Identity of Lenders and Borrowers</p>	<ul style="list-style-type: none"> (a) In the course of its treasury activities, the Council will only borrow from permitted sources identified in TMP 4. (b) The Council will not accept loans from individuals. (c) In the course of its treasury activities, the Council will only invest with those counterparties which are on its approved lending list. (d) The identity and authenticity of commercial institutions (banks, building societies and other financial institutions) authorised to carry out borrowing and lending activity in the UK will be checked via the Bank of England/ Prudential Regulation Authority's website. (e) All receipts/disbursements of funds will be undertaken by <u>BACS or CHAPS</u> settlement. (f) Direct Dealing mandates: The Council will provide (in the case of lending) / obtain (in the case of borrowing) and maintain on file dealing mandates with any new money market counterparty. The mandates should be on letter-headed paper, dated and signed. (g) All banking transactions will only be undertaken by the personnel authorised to operate the Council's banks accounts. (h) When receiving requests for change of payment details, due care will be exercised to ascertain the bona fide of the request and avoid potential fraud. Additional checks will be made through <u>pre-existing</u> contact details for the payee before altering payment details.
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TMP 10: TRAINING AND QUALIFICATIONS

***Principle:** The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Director of Resources will recommend and implement the necessary arrangements.*

The Director of Resources will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule below.

Schedule:

Qualifications/ experience for treasury staff	<i>Treasury Staff should have the AAT qualification as a minimum and preferably prior experience in Treasury management.</i>
Details of approved training courses	<p>The courses/events the Council would expect its treasury personnel to consider are (examples below):</p> <ul style="list-style-type: none"> • Certificate in International Treasury Management - Public Finance (<i>this is the new CIPFA TM qualification run by the Association of Corporate Treasurers</i>) • Training courses for Accounting, Auditing, Best Value/Competition, Budgeting, Capital Finance & Borrowing, Financial Management run by CIPFA and IPF • Any courses/seminars run by Treasury Management Consultants. • Attending CIPFA Conference • Training provided by those responsible for scrutiny of the treasury function

TMP 11: USE OF EXTERNAL SERVICE PROVIDERS

Principle: *The Council recognises that responsibility for the treasury management decisions remains with the organisation at all times. It recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Director of Resources, and details of the current arrangements are set out in the schedule below.*

Schedule:

Contract threshold	The Council's Financial Regulations require that a formal written contract is in place with external service providers where the contract value exceeds £50,000 over the term. The contract will clearly state the services to be provided and the terms on which they will be provided.
Details of service providers and procedures and frequency for tendering services	<p>(a) Bankers to the Council: Nat West, Po Box 333, Silbury House 300 Silbury Boulevard , Central Milton Keynes, MK9 2ZF</p> <p>0845 308 8969</p> <p>Contract period : 1 April 2016 - March 2019</p> <p>Formal agreement in place : yes</p> <p>This service will be re-tendered every 3 years</p> <p>(b) Treasury advisor Arlingclose 35 Chiswell Street London EC1Y 4SE 08448 808201</p> <p>Contract period : 1 April 2015-31 March 2018</p> <p>Formal agreement in place : yes</p> <p>This service may be re-tendered every 3 years</p> <p>(d) Brokers: It is considered good practice for the Council to have at least two brokers and to spread business between them.</p> <p>BGC Partners Sterling Products 1 Churchill Place, Canary Wharf, London, E14 5RD</p>

	<p>0207 894 7742</p> <p>Formal agreement in place : no</p> <p>R P Martin Brokers 1 Churchill Place, Canary Wharf , London, E14 5RD 0207 894 8987</p> <p>Formal agreement in place : no</p>

TMP 12: CORPORATE GOVERNANCE

Principle: The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key recommendations of the Code. This, together with the other arrangements detailed in the schedule below, are considered vital to the achievement of proper corporate governance in treasury management, and the Director of Resources will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Schedule:

Stewardship responsibilities	The Chief Executive ensures that systems exist to deliver proper financial administration and control and maintaining a framework for overseeing and reviewing the treasury management function.
List of documents to be made available for public inspection.	<p>The following documents are freely available for public inspection:</p> <p><i>Examples</i></p> <ul style="list-style-type: none"> ▪ Annual Statement of Accounts ▪ Revenue and Capital Estimates Book ▪ Treasury Management Policy ▪ Treasury Management Strategy ▪ Budget Monitoring Reports ▪ Annual Treasury Report
Council's website.	Financial information is additionally available on the Council's website.
Procedures for consultation with stakeholders.	Members and senior officers of the Council are consulted via reports to the Finance and Corporate Services Committee and officer/member briefing sessions.

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Prudential Indicators and MRP Statement 2018/19

Prudential Indicators 2018/19

The Local Government Act 2003 requires the council to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure: The councils planned capital expenditure and financing may be summarised as follows.

Capital Expenditure and Financing	2017/18 Revised £000's	2018/19 Estimate £000's	2019/20 Estimate £000's	2020/21 Estimate £000's
Total Expenditure	964	682	487	487
Capital Receipts	544	262	67	67
Government Grants	420	420	420	420
Total Financing	964	682	487	487

Estimates of Capital Financing Requirement:

The Capital Financing Requirement (CFR) measures the councils underlying need to borrow for a capital purpose.

	2018/19 £000	2019/20 £000
Capital Financing Requirement	-186	-£186

A negative CFR indicates the council has capital funds available, and that it has no need to borrow.

Incremental Impact of Capital Investment Decisions: This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme .

Incremental Impact of Capital Investment Decisions	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £
General Fund - increase in annual band D Council Tax	0.01	-0.01	0.01

Adoption of the CIPFA Treasury Management Code: The council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition*. It fully complies with the Codes recommendations.

Annual Minimum Revenue Provision Statement 2018/19

Where the council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the council to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2012.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The CLG Guidance requires the council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance

The council expects that its Capital Financing Requirement will be negative on 31st March 2018 and in line with the CLG Guidance it will therefore charge no MRP in 2018/19.

The Commercialisation Strategy and associated projects may require borrowing, in which case the Capital Financing Requirement will be altered and an MRP charge will be required. If this is the case then the following statement will be applicable and will be reported as part of the approval request for the relevant expenditure.

For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

Capital expenditure incurred during 2018/19 will not be subject to a MRP charge until 2019/20. Therefore there is no budget for MRP.

Maldon District Council

Mileage and Expenses Policy



Document Control Sheet

Document title	Mileage and Expenses Policy
Summary of purpose	Set out the framework for claiming and approval of business related travel and expenses.
Prepared by	Updated by Carrie Cox
Status	Draft
Version number	Version 2
Approved by	Finance and Corporate Services
Approval date	March 2018
Date of implementation	As soon as approved
Review frequency	3 Yearly or as required.
Next review date	March 2021
Circulation	All Members and Staff. Intranet.
Published on the Council's website	No

Validity Statement

This document is due for review by the date shown above, after which it may become invalid. Users of the strategy or policy should ensure that they are consulting the currently valid version of the document.

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UPDATES

1.2 (V)	Replaced Head of Finance with Finance Manager
1.2 (vii)	Wording slightly changed to read better
1.2 (x)	Removed apart from travel direct to site
1.2 (xii)	Removed pay for fuel on Council fuel card as there is no generic card for the Council, all cards are vehicle specific. Inserted instead fuel costs will be paid via the expenses system. Changed round mileage trip for hire car to 90 miles.
2.6	Amend reference to fuel card, to expense claim, and change Head of Finance to Director of Resources. Changed round mileage trip for hire car to 90 miles.
3.1	Added that car parks should be chosen based on value not convenience.
Section 5	Amended wording to include wording from HMRC, and change wording for the food allowance limits.
5.2	Changed Head of Finance to Finance Manager
8.4.1	Inserted some wording to indicate that these are the maximum limits and limits amended to reflect the current HMRC rates.

1 Guiding Principles

- 1.1 Travelling and subsistence expenses will be reimbursed by the Council when they have been incurred by employees in performance of their official duties. Special rates and arrangements apply to travelling and subsistence claims relating to post entry training as described in the notes of guidance for post entry training.
- 1.2 The claiming and payment of travelling and subsistence expenses is based on the following principles:
- (i) That the official journeys are necessary to enable the employee to perform his/her duties properly and, undertaken with the approval of the manager who will authorise claims when submitted. These duties may include training or conferences.
 - (ii) That claims are substantiated by receipts or evidence of expenditure, except where this is not possible.
 - (iii) Subsistence allowances are reimbursed on the basis that additional expenditure has been actually and necessarily incurred by the employee upon the meals and beverages for which the allowances are claimed. Subsistence will only be paid where expenditure can be demonstrated by a VAT receipt.
 - (iv) The general principle of reasonableness underlies the claiming and payment of travelling and subsistence allowances. Employees have a responsibility to ensure that the cost to the Council is kept to a minimum without unduly reducing the efficiency with which they carry out their duties.
 - (v) In normal circumstances claims can only be made up to the maximum amounts included in this policy. Where it is not possible to keep within these limits, for example meals in hotels where location makes choice limited, then claims must be approved by the Finance Manager.
 - (vi) In accordance with the Council's commitment to reduce carbon emissions, travel should be by public transport wherever this is possible and practical. It is however recognised that journey times by public transport may at times be lengthy and present problems to staff. In such situations the employee should discuss the journey with their manager and agree the most appropriate method of travel.
 - (vii) Employees should ensure wherever possible that they organise travel arrangements to take advantage of cheap day returns, if using public transport. Where several employees are travelling to the same function by car they should endeavour to travel together.
 - (viii) The difficulties of travelling to and parking in London are acknowledged and, employees should travel to London by rail. Wherever possible rail tickets should be obtained in advance.
 - (ix) For travel directly from home to site, the Council follows HM Revenue & Customs (HMRC) principles for business mileage which is tax free. An employee can only claim the mileage for any miles incurred that are in addition to their normal home to work journey. Staff must deduct home to work mileage from all mileage claims made.
 - (x) As per above, home to office mileage will **not** be reimbursed. In addition the mileage to be claimed must always be using the most direct route and lowest mileage.
 - (xi) Where an overtime claim has been submitted, travel and subsistence claims will not be paid.

- (xii) Where there is no alternative transport to car use and mileage claimed will be in excess of 90 miles round trip, officers should ensure value for money by booking a hire car through the Council's dedicated supplier and reclaiming petrol costs through the expenses system. Exemption from this clause can only be provided by the Director of Resources.

- 1.3 As with all expenditure, travelling and subsistence allowances will from time to time, be subject to inspection and analysis by the Council's Auditors. Falsification of claims for expenses is regarded as an act of attempted fraud and gross misconduct and will be dealt with in accordance with the Council's Disciplinary Policy and Procedure.

2. Car and Motor Cycle Allowances

- 2.1 The Council has only one classification of car and motor cycle allowance, 'casual user'. The Council will reimburse any business mileage at the published HM Revenue and Customs authorised non-taxable rates.
- 2.2 Any employee who uses their own vehicle for business purposes (including travel to courses / seminars) must ensure it is insured for business travel prior to the journey undertaken and that the vehicle is roadworthy. Insurance documentation must be available for inspection by line management at any time, at least annually, and the failure to have the correct insurance arrangements can be subject to disciplinary action. Any costs of business insurance are the responsibility of the employee and will not be reimbursed. In many cases insurers will not charge the individual for business travel cover.
- 2.3 All claims for vehicle mileage must be submitted promptly at the end of each month. Claims which are more than 3 months old will be rejected.
- 2.4 In accordance with HM Revenue and Customs rules all vehicle mileage claims must be supported by a VAT receipt for fuel. This receipt can apply to either the fuel receipt before or after the journey and staff who regularly claim mileage should habitually obtain VAT receipts for fuel.
- 2.5 Any speeding fines, parking fines or other road traffic infringements are the responsibility of the employee and will not be paid for by the Council..
- 2.6 Where a hire car is used, no mileage claim will be paid, only the actual cost of fuel on production of a valid VAT receipt.

3. Car Parking

- 3.1 Parking fees will be reimbursed when it has been necessary for an employee to use a car park as a result of undertaking travel on official business, i.e. not for normal home to work travel. Car parking should be based on the best value (i.e. a park and ride scheme) and not automatically the most convenient. Car parking fines are the responsibility of the individual employee.

4. Public Transport

- 4.1 Public transport should be used where it is practicable and/or cheaper. If an officer wishes to drive to a venue which is accessible by public transport the maximum amount claimable for mileage expenses will be capped at the cost of a standard class public transport fare.
- 4.2 Rail travel should be made by standard class unless an employee should arrange to take advantage of "special offers" and cheap day returns.

5. Subsistence

- 5.1 Subsistence allowance will be payable to employees who are prevented by their official duties from taking a meal at their home, duty base/office or establishment where they normally take their meals (and more than three miles [single journey] from their work base) **and** thereby incur **additional expenditure**. These allowances may only be claimed with prior approval of the authorising manager and a valid receipt evidencing expenditure. A meal is defined as a combination of food and drink and would take a normal dictionary meaning. Where employees are required to start early or finish late on a regular basis, the over 5 hour and 10 hour rate, whichever is applicable, can be paid provided that all the other qualifying conditions are satisfied. An employee can only be reimbursed for a meal once. If the cost of an evening meal or breakfast is reimbursed on an actual basis, because it is included in the cost of an overnight stay, the employee would not also be entitled to a benchmark rate in respect of those meals.

There are some accepted time limits which apply to the payment of subsistence allowances. These are:

- The over 5 hour rate would be restricted to employees who are necessarily absent from their duty base/office when a meal can't reasonably be taken in standard times.
- The over 10 and 15 hour rates would only be payable where it is necessary to stay overnight.

In no circumstances should any costs of alcohol be borne by the tax payer.

- 5.2 Where an employee in the course of his/her official duties, has to stay overnight, he/she is entitled, subject to the prior agreement of the authorising manager, to reclaim meal expenses in line with the limits in 8.4.1. VAT receipts must be attached to the claim form and the Council will reimburse any reasonable expenditure. Items such as morning papers and personal telephone calls will be excluded. All hotel reservations must be agreed with the Finance Manager.
- 5.3 Claims for alcohol consumed by employees will not be reimbursed under any circumstances.
- 5.4 Where an employee is required by the Council to work outside their normal working hours and this work results in additional childcare costs, with prior consultation and approval with the line manager, Maldon District Council shall reimburse the cost of additional child care only on production of a receipt from a registered provider. It should be noted that the reimbursement is taxable under HMRC rules. Claims cannot be made where the employee is claiming overtime for the additional hours worked. This provision is intended to ensure that staff who are required to attend courses and training are not financially disadvantaged.

6. Out of Pocket Expenses

- 6.1 There is an allowance per night in respect of necessary out of pocket expenses incurred at residential courses where they form part of an approved post entry training course. The allowance is subject to weekly limit and to a limit of six weeks in respect of any course. It is subject to further review thereafter (see Travelling and Subsistence Rates).
- 6.2 This allowance does not apply to other courses/seminars/conferences it is only for approved post entry training courses.

7. Journeys Outside Normal Working Hours

- 7.1 Where a journey in the course of duty starts from and finishes at an employee's home because he/she is required to go out again having returned home after a normal day's work, as for example, a duty or standby officer, or at a weekend or bank holiday because he/she is

required to work (outside of his/her normal work pattern), then he/she may claim the fares incurred.

- 7.2 If the journey is to the normal place of work, then any mileage paid will be taxable and the claim form **must** be marked to indicate the special nature of the claim.
- 7.3 If employees have been reimbursed in any way for the out of hours work then no claims may be made. This includes flex or time off in lieu.

8. Travelling and Subsistence Rates

8.1 Car Allowances

Casual Users All ccs and all grades

Mileage rates:

Up to 10,000 miles 45p

Over 10,000 miles 25p

Cars within the Council approved Car Benefit Scheme

11p per mile.

8.2 Motorcycle Allowance

All ccs and all grades

Any miles 24p

8.3 Bicycle Allowance

Any level of miles 20p

8.4 Maximum Subsistence Allowances

- 8.4.1 Any claims for subsistence must be supported by receipts and authorised by the line manager before they can be paid. The maximum that can be claimed unless prior approval has been obtained is:-

Journey time away from office in excess of:-	Maximum payable.
5 hours -	£5
10 hours -	£10
15 hours (and ongoing at 8pm) -	£25

Benchmark Scale rates can only be used where these following qualifying conditions have been met:-

- The travel must be in the performance of an employee's duties or to a temporary workplace, on a journey that is not substantially ordinary commuting.
- The employee must be absent from his normal place of work or home for a continuous period in excess of 5 or 10 hours
- The employee must incur a cost on a meal (i.e. food and drink) after starting the journey and retained appropriate evidence of their expenditure.

Where a scale rate of £5 or £10 is paid and the qualifying journey in respect of which it is paid lasts beyond 8pm a supplementary rate of £10 can be paid to cover the additional expenses necessarily incurred as a result of working late.

If employees spend more on expenses than the amount that is reimbursed, they can still claim a deduction from HMRC for the difference between what they actually spent on the expense and the amount reimbursed by their employer in the normal manner, subject to their having retained appropriate evidence.

Overnight subsistence rate - The over 15 hour rate for subsistence will almost always apply where an employee is required to stay away overnight, provided the cost of any meals is not also included in an accommodation payment.

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Acceptable Use Policy

CONTEXT

We must act appropriately with the information we obtain and hold, and with the systems we use and access. How you use our systems, telephony, email and intranet is important for our reputation and the trust of our customers.

APPLICATION OF POLICY

Everyone who uses information and communications technology this organisation provides (or technology under any ownership used in the course of the business of this organisation) must be aware of these policy statements and the obligations it places upon them.

Maldon District Council commits to informing all employees, members, voluntary workers, agency staff, contractors and other third parties of their obligations before they are authorised to access systems and information and subsequently at regular intervals. Other organisations, and their users, granted access to technology managed by our organisation must abide by this policy.

All those who access information and communications technology may be held personally responsible for any loss or misuse.

OBLIGATIONS

- You must not install, access or modify applications, systems or data without the correct authorisation from IT.
- You must maintain the security of information as defined in the Information Security Policy.
- You must not access or interfere with other people's email without their permission, or in their absence, the authorisation of their line manager.
- You must not participate in unlawful, libellous, immoral or offensive activities, including accessing, downloading, storing, creating, copying or disseminating offensive material. This includes, but is not limited to, material of a pornographic, sexual, violent, criminal, racist, sexist or otherwise discriminatory nature. Further, you must not use our systems to perpetrate any form of fraud or piracy.
- You must not publish a website, or any content on a website or social media platform, that could bring the organisation into disrepute. This includes publishing defamatory or knowingly false material about the organisation, colleagues or customers in any online publishing format.
- You must not disclose your password to anyone or ask anyone else for their password. If you suspect your password has become known to anyone else, change it immediately and report it to the Information Security Manager.
- Only subscribe to services with your professional email address when representing the organisation.
- Our facilities and identity must not be used for commercial purposes outside the authority or remit of this organisation, or for personal financial gain.

- You must not attempt to disable or bypass anti-virus, malware or other security protection, and you should take care not to introduce viruses or malware. If you discover a virus or malware, you must notify ICT immediately.
- You must only use software that is appropriately licensed and materials which are not copyrighted, or for which you have been granted use.
- You must only use council data for the purpose it was obtained and not to benefit yourself, a family member or friend
- If you receive or view email or other content not intended for you, protect its confidentiality.
- Take care when replying or forwarding to ensure that only relevant parties are included.
- Report faults with information and communications technology and co-operate with fault diagnosis and resolution.
- If you use our technology or our internet provision for personal use, the organisation takes no responsibility for the security of your personal information. It is recommended you do not carry out personal financial transactions.

MONITORING

The organisation maintains the right to examine any system or device used in the course of our business, and to inspect any data held there.

To ensure compliance with this policy, the volume of internet and network traffic, and the use and content of emails and visited internet sites, may be monitored. Specific content will not be monitored unless there is suspicion of improper use.

APPENDIX 6

FURTHER INFORMATION

Also see

Information Security Policy

Contact

Chris Wall, ICT Manager

To report faults, contact

The ICT team on 875795 or 875770

To report a virus or malware, contact

The ICT team on 875795 or 875770

In the event of a password breach, or suspected breach, contact Chris Wall, ICT Manager, who acts as the Information Security Manager.



Information Security Policy

CONTEXT

Information is essential to delivering services to citizens and businesses. Information security refers to the defence of information or information systems from unauthorised or unintended access, destruction, disruption or tampering. It is important our organisation acts appropriately with the information we obtain and hold. Confidentiality, integrity and availability of information must be proportionate and appropriate to maintain services, comply with the law and provide trust to our customers and partners.

APPLICATION OF POLICY

Everyone who accesses information this organisation holds must be aware of these policy statements and their responsibilities in relation to information security.

Maldon District Council commits to informing all employees, members, voluntary workers, agency staff, contractors and other third parties of their obligations before they are authorised to access systems and information and subsequently at regular intervals. Other organisations, and their users, granted access to information held by our organisation must abide by this policy.

All those who access information may be held personally responsible for any breach or misuse.

OBLIGATIONS

- Only access systems and information for which you are authorised.
- Only use systems and information for the purposes authorised.
- Comply with all applicable legislation and regulation.
- Comply with controls communicated by the Information Asset Owner.
- Do not disclose confidential or sensitive information to anyone without the permission of the Information Asset Owner.
- Ensure confidential or sensitive information is protected from view by unauthorised individuals.
- Do not copy, transmit or store information to devices or locations (physical or digital) where unauthorised individuals may gain access to it; the security of devices and locations you use are your responsibility.
- Protect information from unauthorised access, disclosure, modification, destruction or interference.
- Keep passwords secret and do not allow anyone else to use your access to systems and accounts (unless Maldon IT team require it to make updates)
- Notify the Information Security Manager of any actual or suspected breach of information security policy and assist with resolution
- Co-operate with compliance, monitoring, investigatory or audit activities in relation to information.

ROLES AND RESPONSIBILITIES

The Organisation

- Ensures compliance with law governing the processing and use of information.

The Chief Executive

- Acts as Accountable Officer ensuring that all information is appropriately protected.

Senior Information Risk Owner

- Assures information security within the organisation.
- Promotes information security at executive management level.
- Provides an annual statement about the security of information assets.

Information Security Manager

- Manages the investigation and mitigation of information breaches.
- Supports Information Asset Owners to assess risks and implement controls.

Information Asset Owners

- Assess the risks to the information they are responsible for.
- Define the protection measures of the information they are responsible for, taking consideration of the sensitivity and value of the information.
- Communicate the protection controls to authorised users and ensure controls are followed.

Directors, Managers and Line Managers

- Ensure their employees are fully conversant with this policy and all associated standards, procedures, guidelines and relevant legislation; and are aware of the consequences of non-compliance.
- Develop procedures, processes and practices which comply with this policy for use in their business areas.
- Ensure all contractors and other third parties to which this policy may apply are aware of their requirement to comply.

Employees

- Conduct their business in accordance with this policy.
- Take responsibility for familiarising themselves with this policy and understanding the obligations it places on them.

APPENDIX 6

FURTHER INFORMATION

Contact

The ICT team on 875795 or 875770

In the event of an information breach, or suspected breach, contact Chris Wall, ICT Manager, who acts as the Information Security Manager.

Using Email and Digital Communications



CONTEXT

Email and digital communications are essential channels for our organisation, enabling us to work productively and flexibly.

How you communicate through email, instant messaging or audio-visual conferencing and what you publish on the internet is important for our reputation and the trust of our customers and partners.

Read the Information Security Policy and Acceptable Use Policy to understand your obligations.

AUDIENCE

This guidance is relevant for everyone who uses corporate email or digital communication channels in the name of Maldon District Council or acts as a representative of the organisation. It contains good practice and advice, describing the organisation’s expectations as you use these channels.

All those who access email and digital communications may be held personally responsible for any abuse or inappropriate use.

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CHOOSING THE BEST CHANNEL

What do I need to communicate?

If information needs to be recorded or saved, or if you want to get a consistent message to a group of people, email is the answer. Short and insignificant conversation with somebody remote is ideal over instant messaging. Delivering an important, immediate and memorable message is best face to face, either in person or through video conferencing. For instant response combined with two-way dialogue, telephone remains a useful channel.

Channels for sensitive or complex subjects

If you are communicating about these matters, talk to somebody directly, or contact them using telephone or audio-video conferencing rather than email or instant messaging.

Performance appraisal or review issues | Job, salary or career progression
Topics which require discussion or dialogue | Private or privileged materials
Complex issues needing input from multiple people | Venting frustration

This ensures that aural or visual cues are evident in the conversation. Of course, you may need to follow up dialogue with documented notes or information, at which time email becomes an acceptable channel.

EMAIL ETIQUETTE

Keep emails short and to the point. The people receiving your email want to quickly understand how they should prioritise your message. Long emails may not be read to the end.

Use the subject field for a brief and concise description or reference. This helps the recipient organise and manage their email and will help you retrieve it if needed.

Read your email back to yourself before you send it, as it lets you check you are conveying the message you want, as well as correcting spelling or grammar mistakes which shows respect for the intended audience.

Do you need to attach something? When referring to other information or documents, think about whether the recipient can access a link rather than sending an attachment. This reduces the strain on your mailbox storage and theirs. It also reduces duplication as it discourages multiple copies being saved, and ensures the original information remains the key reference location.

Say Hello, Goodbye and who you are. Use a salutation appropriate for your audience. It is common practice to use Hi or Hello in professional emails, or to use Dear in particularly formal emails. Finishing your email with "Kind regards" or "Thanks" above your signature helps to stop communication feeling abruptly closed. Include a signature that provides enough information about who you are without making it unreasonably long. A corporately agreed disclaimer is automatically added to external emails therefore do not add your own version of a disclaimer to your signature.

Avoid snap responses. Never send an email in anger. Email can be very impersonal so it may encourage people to feel bolder in making criticism or pointing out things they are dissatisfied with than they would be in communicating it verbally. Whilst it may be tempting to respond in kind, it is always better to wait until your initial irritation is gone and then either speak to them in person or construct a considered response.

MANAGING EMAIL

Don't let email overwhelm you by setting a little time aside each day to deal with it. Consider whether senders need you to respond, retain or just read then delete. Use flags and reminders for emails which require a response you cannot immediately provide. Empty the deleted items folder intermittently and archive old items in your mailbox regularly to prevent it becoming unusable.

If you are able to work flexibly or remotely, you may collect email on your mobile phone or online. As technology enables us to work from almost anywhere with an internet or phone connection, it can be difficult to know where to draw the line. The relaxation of traditional work boundaries can cause feelings of pressure on your work life balance and difficulty switching off from work.

You are not expected to read and answer emails outside your normal working hours. Urgent matters can be communicated by telephone. There is no expectation you are always available just because you have connectivity.

Avoid peer pressure and do not get involved in competitive situations over email responses.

Be considerate of the time and day when sending emails. If you manage others, you should avoid setting an expectation that your team need to work when you work.

Set an out-of-office response when you are unable to read your emails for at least one working day or more. This helps to manage the expectations of those contacting you.

You do not need to check emails when you are off sick, on holiday or non-working days, but you should ensure they are managed on your behalf or that senders have an alternative point of contact.

You are responsible for managing your work time. Look for early signs of email invasion into your personal time and act quickly.

SENSITIVITY

Give some thought to whether a message needs to be marked differently to usual. Most messages and their attachments don't need to be marked as confidential or private, and when they aren't, the assumption is that the message can be forwarded and the attachment changed as required. Please do not use auto-forward rules on your emails as this restricts your ability to manage them according to their sensitivity.

Most email applications make it easy to mark emails with a sensitivity level. If in doubt, start your subject line with the appropriate word to indicate sensitivity. Be aware that marking with a sensitivity level does not prevent recipients distributing the content.

Remember privacy and confidentiality cannot be assured on most digital channels. Secure email should be used for sensitive information about individuals, or is sensitive due to quantity (e.g. large datasets of personal details) or content which is commercial in confidence.

Confidential messages and attachments should not be freely copied or forwarded. Distribution should be limited to those who need to be informed.

Private indicates the content is only to be shared between the sender and recipient. The recipient should seek the sender's permission before distributing or sharing the information.

Marking digital correspondence with **Personal** tells the recipient that the content is about the sender. The recipient should seek the sender's permission before distributing or sharing.

DIGITAL COMMUNICATIONS AND THE LAW

The law applies to email and digital communications in the same way as it does to the written or spoken word, regardless of intent or ignorance. Think carefully about what you say and how you say it. The organisation will assist law enforcement agencies when requested, including passing on all data held on email.

The law of copyright applies to electronic and digital forms in the same way as it does to traditional publications. Take care not to infringe copyright when reproducing any material in email, attachments or digital communications. Seek advice from Legal Services if you are unsure.

Everything contained in the email system is the organisation's intellectual property.

Data Protection and Freedom of Information

It is a criminal offence to collect, hold and process personal data on computers unless the Information Commissioner's Office is notified. This organisation is registered as a data processor. Information held in emails about a person may have to be revealed if they request it. Be mindful that email is included in the information subject to disclosure under the Freedom of Information Act 2000. It is also a legal requirement that information held is accurate and is only kept for as long as it is needed.

Human Rights Act 1998

Article 8 of this Act applies to emails and digital correspondence sent at work and gives individuals the right to privacy over such communications. However, monitoring individuals' email and digital correspondence at work may be justified if it is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety, for the economic wellbeing of the country, for the prevention of disorder or crime, for protection of health or morals or for the protection of the rights and freedoms of others.

Obscene Publications Act 1959 and 1964

Material sent through the email system or shared digitally during working time or from the organisation's equipment could contravene this act, and information will be passed to appropriate authorities if requested.

Defamation

Critical comments or defamatory remarks about individuals, groups or organisations must not be included in corporate email or shared through digital channels when acting as a representative of the organisation. You must not reproduce any critical comments or defamatory remarks made by third parties as the law may interpret this as libel and you may be held liable for the contents.

Harassment and Discrimination

Comments or remarks sent by email or shared digitally may amount to harassment under anti-discrimination laws. Because there are no visual or tonal signals in digital communications, it is possible to cause offence to the recipient or reader where none was intended.

Contracts

It is possible to inadvertently form a contract through an exchange of email. A contract does not necessarily need a signature to come into force, and in any event, your email signature has the same weight in law as your manuscript signature. If you do not have the authority to create or vary a contract, take care in your email correspondence, and seek advice from Legal Services if needed.

Hacking

Unauthorised access to our network or systems, including email, can lead to theft, destruction or alternation of essential data. It is a criminal offence to access any computer system you are not authorised to use, or to delete or amend data or systems to the detriment of the organisation.

REPORTING EMAIL OR DIGITAL COMMUNICATIONS

Abusive or Obscene Content

Make sure you know and understand your obligations around inappropriate and unacceptable communications: see the Acceptable Use Policy. If you are unsure as to whether email or digital communication content could be offensive, do not send or share it. Remember you represent our organisation in all communications and should not do anything to bring it into disrepute.

Abusive or obscene content is not defined by what you consider abusive or obscene; it is what anyone could find to be abusive or obscene.

If you receive offensive material by email from an unknown source, do not reply or participate in any way as this may confirm to the sender that your email address exists and lead to further unwanted email. Inform your line manager and ICT.

If you receive offensive material from a known source, request they stop this in future and please tell your manager. You may notify ICT if you choose.

Viruses and Malware

Anti-virus and anti-malware tools are used throughout our network. Nonetheless some suspicious communications may find their way to you by masking themselves as a trusted correspondent or domain, or by being inconspicuous enough to avoid detection. Think carefully before opening attachments or following links you weren't expecting. Delete suspicious emails straight away, notifying the sender by separate email (not by replying) if you think there was a chance of authenticity. If you mistakenly open an attachment or follow a link which proves to be bogus, notify ICT immediately who will try to limit any issues; stop working on your PC or mobile device and do not attempt to remove any virus or malware yourself.

FURTHER INFORMATION

Also see [Information Security Policy](#), [Acceptable Use Policy](#)

Contact [Chris Wall](#), ICT Manager

To report concerns, contact the ICT team on 875795 or 875770

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Document Control Sheet

Document title	Data Protection Policy
Summary of purpose	To review and update the Council's Data Protection procedures in line with the requirements of the General Data Protection Regulations which come into force on 25 th May 2018.
Prepared by	Ian Phillipson
Status	Draft
Version number	2 (as amended by the Finance and Corporate Services Committee)
Approved by	F&CS – Full Council
Approval date	
Date of implementation	Immediate
Review frequency	3 years (Retention Schedule revised continuously to incorporate any changes/new documents)
Next review date	March 2021
Circulation	
Published on the Council's website	

Validity Statement

This document is due for review by the date shown above, after which it may become invalid. Users of the strategy or policy should ensure that they are consulting the currently valid version of the document.



MALDON DISTRICT
COUNCIL

MALDON DISTRICT COUNCIL

DATA PROTECTION POLICY

Maldon District Council ('the Council') aims to ensure that personal information/data is treated lawfully and correctly.

The lawful and correct treatment of personal information is extremely important in maintaining the confidence of those with whom the Council deals and in achieving its objectives.

This policy applies to all officers, Members and those engaged undertaking business with or on behalf of the Council.

The Council fully endorses and adheres to the Data Protection principles set out below:-

DATA PROTECTION PRINCIPLES

Personal Information shall be:

- Processed fairly, lawfully and in a transparent manner;
- Collected for specific, explicit and legitimate purposes;
- Adequate, relevant and limited to what is necessary to meet the purpose;
- Accurate and up to date;
- Kept for no longer than is necessary;
- Kept secure to maintain integrity and confidentiality;
- Processed in an accountable manner;

Policy Aim

To ensure the Council continuously complies with all relevant legislation and good practice in order to successfully protect the data it holds and processes.

Policy Objectives

To achieve the overall aim the Council will:

- Provide adequate resources to support an effective corporate approach to Data Protection;
- Ensure all staff are appropriately trained to perform their roles;
- Comply with all relevant statutory obligations;
- Respect the confidentiality of all personal data, irrespective of source;
- Publicise the Council's commitment to Data Protection;
- Compile and maintain appropriate policies, procedures and documentation;

- Promote general awareness and provide specific training, advice and guidance at all levels to ensure standards are met;
- Monitor and review compliance with legislation and introduce changes where necessary;
- Assist the Regulator and auditors as necessary

Processing of Information:

The Council, through appropriate management controls will, when processing personal information on any individual:

- Observe fully conditions regarding the collection and use of information meet the Council's legal obligations under Data Protection legislation;
- Collect, process and retain data only to the extent that it is needed to fulfil operational needs or to comply with any legal requirement;
- Ensure that the rights of people about whom information is held can be fully exercised including:-
 - The right to be informed that processing is being undertaken;
 - The right of access to personal information;
 - The right to withdraw or amend consent for processing*;
 - The right to correct, amend or erase information*;
 - The right to be forgotten*.
- Ensure staff are reminded that data covered by Data Protection legislation is exempt from disclosure under the Freedom of Information Act 2000.
- *Ensure where an individual exercises their right to be forgotten or withdraws permission for their data to be processed, the Council will inform the subject of the potential impact of this decision, as it may prevent the Council being able to provide a service which the subject has requested.
- **Note:** The right to be forgotten or withdraw permission for processing does not apply where there the Council has a statutory obligation or requirement to process that information.

Fair Obtaining/Processing

Individuals whose data is collected by the Council must be made aware at the time of collection of all the processes that data may be subject to. No manual or automatic processing of an individual's data can take place unless reasonable steps have been taken to make that individual aware of that processing.

Individuals must also be informed of likely recipients of their information, both internal and external, and also be given details of who to contact in order to query the use or content of their information (Data Protection Officer).

When consent is used as the lawful basis for processing data, it must be explicit and granular to allow the subject to 'opt-in' to any processing activity. The Privacy Notice where this data is collected should also explain how a subject's data will be used, how they can amend or withdraw their consent, and to whom they should contact to do so.

Data Uses and Purposes

- All processing performed must only be for the purpose that is necessary to enable the Council to perform its duties and services, and which has been notified by the Council to the Information Commissioner. Personal data can only be processed in line with notified purposes.
- No new processing may take place UNTIL the Information Commissioner has been notified of the relevant purpose AND the data subjects have been informed and, their consent obtained. All new occurrences of, or future developments for, processing of personal data must therefore be reported to the Data Protection Officer, who is responsible for maintaining Council's Data Protection registrations.
- All personal data should be regarded as confidential and only disclosed to persons (internal and external) who are listed for the purpose concerned in the Council's current notification AND whose authority to receive it has been explicitly established.
- Information owned by the Council must not be used for non-Council purposes. This applies when Council data is being processed at employees' homes. Employees may only remove personal data from a Council office with the authority of their Chief Officer or the Chief Executive and will be held responsible for any misuse or unauthorised disclosures while the data is in their control.

What counts as Personal Data?

The term 'personal data' applies to any information relating to an identifiable person who can be directly or indirectly identified in particular by reference to an identifier.

This definition provides for a wide range of personal identifiers to constitute personal data, including name, identification number, location data or online identifier, reflecting changes in technology and the way organisations collect information about people.

The regulations apply to both automated personal data and to manual filing systems where personal data are accessible according to specific criteria. This could include chronologically ordered sets of manual records containing personal data.

Personal data that has been pseudonymised – e.g. key-coded – can fall within the scope of the regulations depending on how difficult it is to attribute the pseudonym to a particular individual. Likewise, anonymised data that can be 'reverse engineered', or manipulated on its own or in conjunction with other data sources to identify an individual, will also be classified as personal data.

A name and address, or information attached to a reference number that we can use to look someone up, are both personal data. So is a company e-mail address if it includes a person's name.

Data Quality

Information processed shall not be excessive or irrelevant to the notified purposes.

Information will be held only for as long as is necessary for the notified purposes, after which it shall be deleted or destroyed in accordance with the Council's Document Retention Policy.

Whenever information is processed, reasonable measures shall be taken to ensure that it is up-to-date and accurate.

Organisational Responsibilities and Security

All personal data should be kept secure, in a manner appropriate to its sensitivity and the likely harm should a breach occur. Security shall be applied to all stages of processing to prevent unauthorised access or disclosure (internal or external), damage (accidental or deliberate) or loss.

Personal data must not be left on display or unsecured when unattended. Computer software shall be kept secure when not in use. System entry passwords should be known only to the holder and be changed regularly.

Everyone managing and handling personal information is appropriately trained to do so.

Everyone managing and handling personal information is appropriately supervised.

Anybody wanting to make enquiries about handling personal information knows what to do.

Queries about handling personal information are promptly and courteously dealt with.

Methods of handling personal information are clearly described.

A regular review and audit is made of the way personal information is managed.

Methods of handling personal information are regularly assessed and evaluated.

Performance with handling personal information is regularly assessed and evaluated.

All Council employees and Members will be provided with a copy of the Policy as adopted by the Council together with appropriate training. Employees and Managers have a duty to follow the Policy and procedures and to co-operate with the Council to ensure this Policy is effective.

Action may be taken against any employee/Member who fails to comply or commits breach of the Policy.

It is the duty of individual employees and Members to ensure that personal information held by them is dealt with in accordance with the Data Protection legislation.

Processing carried out by a third party on behalf of the Council shall be subject to a contract, which stipulates compliance with Data Protection regulations and this policy.

Similarly, when the Council is processing personal data on behalf of a third party it will need to demonstrate that the data is subject to the same standards of care.

Any breaches of security shall be reported to the Data Protection Officer for investigation and subsequent remedial action.

Complaints & Queries

Queries regarding this policy should be addressed to the Data Protection Officer:

dpo@maldon.gov.uk

If you are not happy with the Council's response to a Data Protection request you can complain using the Council's complaints system.

You can speak to your local Councillor(s) to see if they can resolve the issue for you.

If you are unclear who this is telephone the Council Officers 01621 875790 or visit our website www.maldon.gov.uk

You can complain to the Information Commissioner at:

Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Tel: 01625 545 700

Web: www.ico.gov.uk

Large print and other versions of this guidance

If you require a large print or Braille version of this leaflet or need it translated into another language, please ask at our reception at the Council Offices or telephone 01621 875790.

Information Security Incident Reporting & Data Breach Management Policy



**ESSEX
ONLINE
PARTNERSHIP**
DONE ONCE, SHARED BY MANY

APPENDIX 8

CONTEXT

This policy defines the requirements for reporting and managing information security incidents and/or data breaches at Maldon District Council. It supports the Corporate Information Security Policy.

Definitions

- An Information Security Incident is any event which has resulted, or could result, in:
 - the disclosure of confidential information to any unauthorised individual
 - the integrity of any system or information being put at risk
 - the availability of any system or information being put at risk
 - an adverse impact, for example:
 - embarrassment to the organisation
 - threat to personal safety or privacy
 - legal obligation or penalty
 - financial loss
 - disruption of activities
- An Information Security Problem is a weakness or vulnerability which could be exploited to cause an incident.
- A Data Breach is any event which has resulted in, or could result in:
 - The disclosure of physical records or papers containing personal information
 - The unauthorised removal of data in a physical form (i.e. printouts, letters, etc.)
 - The sharing or distribution of personal data with unauthorised persons
 - Loss or theft of data

AUDIENCE

This guidance is relevant for everyone who uses any of the Maldon District Council ICT systems and/or networks, records, archives and other physical assets where personal data may be held, or acts as a representative of the organisation.

All those who access Maldon District Council ICT systems, networks and physical records may be held personally responsible for any abuse or inappropriate use.

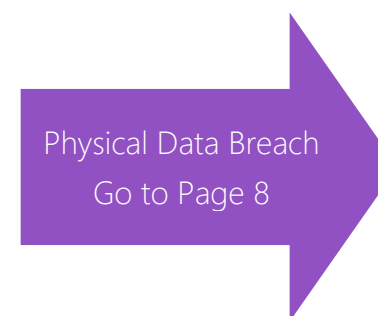
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Incident Response

- All users must report any actual or perceived Information Security Incidents or Data Breach Issues as well as those set out in the Acceptable Use Policy in accordance with the Incident Management Procedures.
- All reported incidents must be assessed and responded to in accordance with Council procedures as quickly as possible.
- Management responsibilities must be established to ensure a quick, effective and orderly response to Information Security incidents.
- A security incident response plan must be formally documented and disseminated to the appropriate responsible parties.
- In case of cardholder data compromise an incident response team must be ready to be deployed.
- Any external organisations or individuals must be notified where appropriate.
- The Council should have a risk recovery policy including a plan covering the Council's media and legal response to an information security incident.
- Significant actual or potential loss of personal information should be reported to the Information Commissioners Office.
- Where the Security Incident is deemed to have either originated from or had a significant impact on the PSN, the Incident Response Team shall report the incident to the relevant bodies as detailed within the PSN Technical Standard document titled "Common Standard for Protective Monitoring, Security Incident Management and Situational Awareness".

Are you responding to an ICT or Physical Data Breach Incident?



ICT Security Breach Protocol

Reporting and Management of ICT Security Incidents

The following procedure has been derived from best practice as defined in the BERR Incident Reporting and Management guidelines.

The Incident Response Team consists of the ICT Manager - Chris Wall, Data Protection Officer (DPO) - Emma Foy and Director of Resources (SIRO) – Emma Foy, plus additional organisational resources as required.

A Security Incident is a situation where the security of a device, a server, a system, an application or the network itself has or may have been compromised, and may be from either an internal or external source. It could also be the introduction of a virus to a device or server and/or the network, or access to the network by an unauthorised user.

Incident Reporting

Incidents should be reported by telephone to a member of the ICT Team as soon as they happen.

ICT will record the incident in the ICT Helpdesk to track and monitor the incident and kept a record of what happened, the steps taken and the resolution.

The DPO & SIRO will be notified of the incident and kept up to date.

If the impact and severity warrants it the ICO will be notified within 72 hours. This will be decided on by the incident management team including the SIRO who has ultimate responsibility to decide to report or not.

Informing data subjects

The ICO has produced guidance on when a data subject(s) should be informed of a data breach. The Security Incident Team will establish the likelihood and severity of the resulting risk to people's rights and freedoms.

The GDPR guidance states: "A personal data breach may, if not addressed in an appropriate and timely manner, result in physical, material or non-material damage to natural persons such as loss of control over their personal data or limitation of their rights, discrimination, identity theft or fraud, financial loss, unauthorised reversal of pseudonymisation, damage to reputation, loss of confidentiality of personal data protected by professional secrecy or any other significant economic or social disadvantage to the natural person concerned."

Maldon District Council v1.1 (as amended by Finance and Corporate Services Committee 06/03/18)

The individual(s) concerned only need to be informed if there is a 'high risk' that they may be adversely affected, therefore the threshold for informing individuals is higher than that for informing the ICO of a breach. However, the decision and reasons not to inform an individual should be documented.

Incident Management

Having received an Information Security Report, the Incident Response Team will initially qualify the incident – i.e.: determine whether the event is actually a Security Incident that needs to be managed. The key determinant will be whether there has been (or is now) a threat to the organisations business assets or a breach of regulatory requirements or organisational policy. If there has then the full incident response process will commence.

Virus and Malware incidents will be managed in accordance with the BERR five stage response process detailed below:

The BERR Five Stage Process

Containment

- Record the time, duration and location of the incident.
- Isolate systems and logons to the affected system. For example, introduce new passwords and review system access rights
- Determine whether the system should be isolated or access paths removed to prevent further damage
- Preserve the scene. For example, take photographs, save logs, record evidence, take notes of system connectivity, etc.
- Create a forensic backup of relevant data or systems. For example, imaging of computer systems
- Identify what records or logs exist for the incident
- Identify other evidence. For example, witnesses, CCTV, manual systems
- Determine who should be notified internally
- Determine who should be notified externally

Assessment

- Determine the extent of damage or penetration
- If an attempt was unsuccessful, establish why it failed
- Establish the value and relevance of evidence
- Interview witnesses or relevant parties
- Perform crime scene analysis
- Gather supporting evidence. For example, carry out penetration tests, network reviews, and risk assessments
- Gather staff evidence. For example, Human Resources records
- Perform a business impact assessment

Countermeasures

- Perform appropriate technical upgrades, patches and a configuration review
- Harden network protection
- Review intrusion detection devices and policy
- Adjust server loads and access
- Revise policy and review staff training
- Determine HR and contractual issues (to include external suppliers)
- Review outsourcing agreements (as appropriate) and revise or negotiate liability clauses and warranties
- Manage PR and publicity issues. For example, inform Members
- Involve appropriate external parties. For example, the local police force.
- Does the incident need to be reported to the police?

Appraisal

- Ask "should we disclose to statutory bodies?"
- Review assessment and countermeasures
- Determine whether we have had an internal or external attack
- Address disciplinary issues
- Consider legal proceedings
- Address contractual issues

Physical Data Breach Protocol

Reporting and Management of Physical Data Breach Incidents

Where physical records may have been breached, the DPO should be informed immediately in order for the matter to be investigated and the ICO to be informed if required.

An Incident Response Team will be convened if necessary consisting of the DPO, SIRO, Head of the Service for the incident, plus additional organisational resources as required.

Incident Reporting

Incidents should be reported by telephone to the DPO as soon as they happen.

The DPO will record the incident in the Data Breach Log to track and monitor the incident and kept a record of what happened, the steps taken and the resolution.

The SIRO will be notified of the incident and kept up to date.

If the impact and severity warrants it the ICO will be notified within 72 hours. This will be decided on by the Incident Response Team.

Incident Management

Having received an Information Breach Report, the Incident Response Team will initially qualify the incident – i.e.: determine whether the event is actually a Data Breach that needs to be managed. The key determinant will be whether there has been (or is now) a threat to the organisation's business assets, an individual's personal data, a breach of regulatory requirements or organisational policy.

Informing data subjects

The ICO has produced guidance on when a data subject(s) should be informed of a data breach. The Security Incident Team will establish the likelihood and severity of the resulting risk to people's rights and freedoms.

The GDPR guidance states: "A personal data breach may, if not addressed in an appropriate and timely manner, result in physical, material or non-material damage to natural persons such as loss of control over their personal data or limitation of their rights, discrimination, identity theft or fraud, financial loss, unauthorised reversal of pseudonymisation, damage to reputation, loss of confidentiality of personal data protected by professional secrecy or any other significant economic or social disadvantage to the natural person concerned."

The individual(s) concerned only need to be informed if there is a 'high risk' that they may be adversely affected, therefore the threshold for informing individuals is higher than that for informing the ICO of a breach. However, the decision and reasons not to inform an individual should be documented.

Further information

Also see [Information Security Policy](#), [Acceptable Use Policy](#)

Contact Chris Wall, ICT Manager

To report concerns, contact the ICT team on 875795 or 875770



REPORT of DIRECTOR OF PLANNING AND REGULATORY SERVICES

**to
COUNCIL
22 MARCH 2018**

IMPLEMENTATION OF THE GARDEN SUBURBS

1. PURPOSE OF THE REPORT

- 1.1 This report provides an update on the implementation of the Garden Suburbs as set out in Policy S2 of the Local Development Plan (LDP) approved in July 2017.
- 1.2 Delivery of the Policy S2 sites is now a priority to ensure that the Council achieves its housing targets, increases the supply of affordable homes and meets its Five Year Housing Land Supply. The Council took the decision in 2014 to promote the submission of planning applications for all of the sites, and the report below provides an overview of progress and the key issues. Further decisions may be required to address some of these issues as outlined in the report.
- 1.3 Furthermore, the report proposes that the two master plans for the Garden Suburbs, which were intended to act as Supplementary Planning Documents (SPD's) are formally adopted. The rationale for this is set out in the report. Decisions to adopt plans and documents as Supplementary Planning Documents are a matter for the Council. As set out in the report the Masterplans have previously been endorsed by the Council.

2. RECOMMENDATIONS

- (i) That the progress on the delivery of the Garden Suburbs be noted and that reports are made back to the Council as appropriate;
- (ii) That the North Heybridge Garden Suburb Master Plan is Adopted as a Supplementary Planning Document;
- (iii) That the South Maldon Garden Suburb Master Plan is Adopted as a Supplementary Planning Document.

3. SUMMARY OF KEY ISSUES

- 3.1 The Garden Suburbs and strategic allocations in Policy S2 are central to the Local Development Plan (LDP) and meeting the housing needs of the district. As allocations, these are sites that the Council seeks to promote and deliver in a timely manner through the LDP period (2014 to 2029). Accordingly, the LDP includes a housing trajectory and informs the annual Five Year Housing land Supply statements

(5YLS). The last 5YLS for the period 2016 / 17 showed that the Council had 6.28 years' worth of supply. This will be reviewed in the spring and any delays in the implementation of the S2 sites will have an impact on the supply.

- 3.2 In order to support delivery the Council has set up an officers Implementation Group which is focussed on the delivery of the LDP allocation, and in particular the S2 sites. This provides a central group for the discussion and resolution of issues ensuring that services are joined up and focussed on delivery to achieve the LDP objectives.
- 3.3 Set out below is an update on each Garden Suburb:

4. SOUTH MALDON GARDEN SUBURB

4.1 Site S2 (a): South of Limebrook Way

- 4.1.1 It was originally intended that this development would be delivered by a consortium of housing builders and a registered provider. However, that is no longer the case and the development will now be delivered by two developers, one on the land to the east of the old railway and the other on the land to the west. Taylor Wimpey is to develop the eastern side for 606 dwellings together with various community infrastructure facilities.
- 4.1.2 The outline planning application was approved in December 2016 and was based on a consortium approach where the Section 106 and the discharge of conditions were based on a single developer approach across the whole site. In order for the scheme to proceed as two development sites, albeit with the intent to deliver all of the infrastructure requirements and joint working on strategic issues, a Section 106 deed of variation has been agreed under the Chief Executive's delegated powers in consultation with ward Members and the Leader and Chairman of the Council. Essex County Council has also agreed the deed of variation, which was in the form of a replacement Section 106 agreement.
- 4.1.3 The deed of variation does not change the obligations in the original Section 106 agreement, and as set out in the Infrastructure Delivery Plan. It merely provides a legal framework for two or more developers to fulfil their obligations without being beholden to each other, which lessens risk of non-delivery of infrastructure.
- 4.1.4 In addition, various other planning conditions also required minor changes, and these have been submitted as Section 73 applications.
- 4.1.5 Officers are holding technical meetings with Taylor Wimpey to establish their programme and the working relationship going forward, which is being captured in a planning performance agreement. Part of this is the development of an engagement strategy including members, the town and parish councils and the local community.
- 4.1.6 The aim is to start on site in early 2019, with a number of planning applications submitted from the Spring 2018 onwards.

4.2 Site S2(b): Wycke Hill North

- 4.2.1 The Council at its extraordinary meeting on 23 March 2017 resolved to grant planning permission for 320 new homes, plus community infrastructure and 2,000 sqm of employment land. The scheme also includes the South Maldon Relief Road which is to be funded through contributions from the development and Site 2(a) and site S2(c).
- 4.2.2 Work is progressing with the developer, Dartmouth Park Estates and Essex County Council, to complete the Section 106 agreement so that the decision notice can be issued.

4.3 Site 2(c): Wycke Hill South

- 4.3.1 Linden Homes are progressing on site. The new roundabout and access road has been completed and first occupation is due in the early Spring 2018.

4.4 Site 2(d): North Heybridge Garden Suburb

- 4.4.1 In the Pre-Submission LDP published in 2014, the Council proposed in draft Policy S4 that a Flood Alleviation Scheme (FAS), promoted in a 2006 Halcrow report prepared on behalf of the Environment Agency, be a requirement of the development of the North Heybridge development. Furthermore, in October 2014 the Council endorsed a Master Plan for the Garden Suburb which included the FAS.
- 4.4.2 However, the Inspector at the first examination into the LDP held in 2015 concluded that this requirement was addressing a pre-existing problem and therefore, the Council could not obligate a developer to address the problem in planning terms. Therefore, the policy and supporting text were modified and consulted on in the September 2016 Modifications to the Pre-submission plan.
- 4.4.3 Despite this policy position, a FAS was included as a detailed design element in the planning application submitted by Countryside Properties (CPUK) under reference OUT/MAL/15/00419. This application was in respect of 1,138 dwellings, local centre, sports facilities and inter alia, the north Heybridge Relief Road. In order to accommodate the cost of the FAS, the Council accepted a lower than policy level of affordable housing – 15.5% minimum. This was on the understanding that Countryside would fund the capital costs and the Environment Agency would own, manage and maintain the FAS.
- 4.4.4 The Planning application was considered at an extraordinary meeting of the Council on 7 December 2016 and the Council resolved to grant planning permission subject to a Section 106 agreement. Work on that agreement progressed but was halted when the Environment Agency informed the Council that they were not going to adopt the ownership of the FAS. Therefore, the decision notice for the application has not been issued and effectively the scheme does not have planning permission.
- 4.4.5 The decision by the Environment Agency to not take on ownership came after their consideration of the implications of a business case, prepared on behalf of the agency and the Council by Capita. The business case concluded that the Benefit to Cost Ratio (BCR) of the FAS was below the threshold of 1, laid down in Treasury rules

and required to enable the Environment Agency to provide funding support and ownership of the scheme.

- 4.4.6 As the FAS was an integral part of the scheme the ownership of the FAS needs to be resolved to enable the scheme to proceed.
- 4.4.7 In response to the Environment Agency's decision not to take on the ownership, the Council embarked on two lines of action:
- (i) to undertake a peer review of the Halcrow and Capita reports to understand why the conclusions were so different. This work has now been completed in draft and the conclusion is that the BCR maybe above 1.0.
 - (ii) to seek funding that would support the whole life cycle costs of owning and maintaining the FAS. This was sought through an application to Homes England for Housing Infrastructure Fund grant for not only the FAS but also flood alleviation measures to reduce the risk of flooding at the Bentalls and Heybridge Creek. The Council has received notification that this bid for £7.3 million was successful and the validation process is now underway.
- 4.4.8 Subject to the outcome of i) and ii) above, the focus is now on seeking agreement to proceed with the original scheme. Therefore, discussions are taking place with the Environment Agency with a view to reverse their previous decision.
- 4.4.9 However in the event that agreement cannot be reached, the Council will need to consider whether to it is prepared to accept the developer proceeding with an alternative scheme. This will require the developer to work closely with the Council, the Environment Agency and Essex County Council as the local lead flood authority, to ensure that the alternative does not make the existing flooding position worse and to seek betterment through other measures to reduce the existing flood risk. Any alternative scheme would need planning approval and would have to satisfy the requirements in the LDP, and have regard to the North Heybridge garden suburb master plan and North Heybridge garden suburb strategic design codes (endorsed by the Council February 2017).
- 4.4.10 Further reports may be required to be made to the Council on this scheme for decision.

4.5 Site S2(e): North of Holloway Road

- 4.5.1 The developer (Bellway Homes) has now started on site with preliminary site work ahead of construction starting in the spring / summer.

4.6 Site S2(f): West of Broad Street Green

- 4.6.1 Persimmon Homes are progressing on the site and first occupation is due in the Spring.

5. THE GARDEN SUBURB MASTER PLANS

- 5.1 Policy S3 of the LDP states that *‘a masterplan for the each of the Garden Suburbs at Maldon and Heybridge will be prepared and developed, in partnership between the Council, relevant stakeholders, infrastructure providers and developer / landowners for illustrative purposes and as a guide for developers’*. Paragraph 2.47 of the Policy Clarification states that *‘the principles set out in the master plans will be in accordance with Policies S3 and S4 and other policies in the LDP. The master plans will be endorsed by the Council and where appropriate, the Council may adopt the master plans as SPD’s’*.
- 5.2 The Council resolved at its meetings on 11 September 2014 and October 2014 to endorse the Master Plans for South Maldon and north Heybridge respectively (Minute Nos. 405 and 527 refer).
- 5.3 The Decision of the Council for each was:
- (i) *that the proposed amendments to the Draft Strategic Masterplan for the [Garden suburb], as set out in Appendix 2 to the report, be agreed;*
 - (ii) *that subject to (i) above, the Strategic Masterplan Framework, as amended, be endorsed as a material consideration for development management purposes in the determination of planning applications for development within the Garden Suburb.*
- 5.4 Now that the LDP has been adopted the Council can consider whether to formally adopt the Master Plans as SPD. Adoption will maximise the weight afforded the Master Plans. The Master Plans were developed to inform the planning applications for the two areas. As set out above, planning permission has either been granted or there is a resolution to grant for all of the Garden Suburbs sites and the master plans have been used to inform those applications and the decision making process.
- 5.5 As the situation on some of the sites has changed, there is a risk of further planning applications that will require the strong guidance that the Master Plans provide and the greater weight that SPDs carry, to best guide the developer and the Council to ensure that the fundamental principles of the garden suburbs remain and drives the development of the two areas.
- 5.6 To adopt the Master Plans as SPD it is a requirement that they are the subject of public consultation. This took place in 2014 and the Council, following that consultation, endorsed the Master Plans, however there was a delay in the approval of the LDP until July 2017. In accordance with the policy clarification relating to S3 the “Council may adopt the master-plans as SPD’s”. As it has been over three years since the Council endorsed the Master Plans officers have considered whether there should be a re-consultation of the plans. Had there been any material shift in policy in the LDP or material change in circumstances in both areas covered by the two Master Plans then this would have been a good reason to re-consult prior to adopt. However there have been no such changes. As the Council has already endorsed the Master Plans it is considered that the consultations carried out in 2014 are still valid and can form the basis of the Council adopting the Master Plans as SPD.

- 5.7 The Master Plans provide a framework for Design Codes for each Garden Suburb. These codes have not been subject to public consultation, but will be used to inform the detailed development on both sites. It is not the intention to adopt the Design Codes as SPD.
- 5.8 On that basis, it is reasonable for the Council to now adopt the Master Plans as Supplementary Planning Documents.

6. CONCLUSION

- 6.1 The report provides an update on progress for the Garden Suburbs and the issues that are being addressed. For the smaller sites development is underway, but the three largest sites have been subject to delays on securing the Section 106 agreement for the flood alleviation or a change in the developers. The Council is fully committed and prioritising resources to deliver these sites allocated in Policy S1. Delays in delivery puts pressure on the achievement of the five year housing land supply and delivery of the strategic sites in accordance with the Housing Trajectory. Therefore it is imperative that the Council continues to work with development partners to ensure that schemes progress and housing targets are achieved.
- 6.2 The recent launch of the consultation draft to the revised National Planning Policy Framework emphasises that the key objective of government planning policy is to speed up the delivery of homes, including affordable homes. The Council is in the position of having an up to date LDP approved by the Secretary of State, and planning consents or the resolutions to grant planning permission in place on its strategic sites. Therefore, any impediment to delivery requires the right response from the Council without compromising the fundamental principles and objectives of the LDP to deliver quality developments, environments, homes that meet local need and key infrastructure projects, such as schools including school expansion, roads and health care.
- 6.3 To support this, the adoption of the Garden Suburb Master Plans will, with the approved LDP, and the supporting Design Codes, provide the strongest possible framework.

7. IMPACT ON CORPORATE GOALS

- 7.1 The garden suburbs and master plans support corporate goals and objectives which underpin the Council's vision for the District and in particular protecting and shaping the District and balancing the future needs of the community.

8. IMPLICATIONS

- (i) **Impact on Customers** – Development of the garden suburbs will continue to be determined with regard to the Master Plans ensuring consistency and delivery of high quality design throughout the District.

- (ii) **Impact on Equalities** – The Master Plans sets out design principles and guidance for inclusive development and social cohesion through good design.
- (iii) **Impact on Risk** – The Master Plans have been prepared in accordance with the approved Local Development Plan. They will have considerable weight in the consideration of planning applications and therefore, can be used to ensure that the LDP objectives can be met. They also provide certainty to developers for both garden suburbs.
- (iv) **Impact on Resources (financial)** – There are no financial costs for adoption other than the cost of the adoption notice.
- (v) **Impact on Resources (human)** – Project completed.
- (vi) **Impact on the Environment** – The Master Plans will assist the Council in promoting high quality and inclusive design and sustainable development to support new and existing communities and safeguard the character and distinctiveness of the District.

Background Papers:

North Heybridge Garden Suburb Master Plan

https://www.maldon.gov.uk/publications/LDP/supporting_documents/4%20Other/DOC122.pdf

South Maldon Garden Suburb Master Plan

https://www.maldon.gov.uk/publications/LDP/supporting_documents/4%20Other/DOC121.pdf

Local Development Plan

Planning and Compensation Act 2004

Town and Country Planning (Local Planning) Regulations 2012

Enquiries to:

Ian Butt, Planning Policy Manager, (Tel: 01621 876203).

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