

# Unrestricted Document Pack

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CHIEF EXECUTIVE'S OFFICE  
CHIEF EXECUTIVE  
Fiona Marshall

20 November 2017

Dear Councillor

You are summoned to attend the meeting of the;

**FINANCE AND CORPORATE SERVICES COMMITTEE**

on **TUESDAY 28 NOVEMBER 2017 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 large, hand-drawn oval.

Chief Executive

COMMITTEE MEMBERSHIP

CHAIRMAN

Councillor D M Sismey

VICE-CHAIRMAN

Councillor I E Dobson

COUNCILLORS

Mrs B F Acevedo  
J P F Archer  
P G L Elliott  
A S Fluker  
M S Heard  
Miss M R Lewis  
Rev. A E J Shrimpton

*Ex-officio non-voting Members:*

*Councillors B S Beale MBE and  
M F L Durham, CC*

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**AGENDA**  
**FINANCE AND CORPORATE SERVICES COMMITTEE**  
**TUESDAY 28 NOVEMBER 2017**

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1. **Chairman's notices (please see overleaf)**

2. **Apologies for Absence**

3. **Minutes of the last meeting** (Pages 7 - 14)

To confirm the Minutes of the meeting of the Finance and Corporate Services Committee held on 26 September 2017 (copy enclosed).

4. **Disclosure 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).

5. **Public Participation**

To receive the views of members of the public on items of business to be considered by the Committee (please see below):

1. A period of ten minutes will be set aside.
2. An individual may speak for no more than two minutes and will not be allowed to distribute or display papers, plans, photographs or other materials.
3. Anyone wishing to speak must notify the Committee Clerk between 7.00pm and 7.20pm prior to the start of the meeting.

6. **Chairman's Good News Announcements**

7. **Corporate Health and Safety** (Pages 15 - 20)

To consider the report of the Director of Resources (copy enclosed).

8. **Strategic Human Resources Update - Quarter Two 2017 / 18** (Pages 21 - 36)

To consider the report of the Director of Resources (copy enclosed).

9. **Half Yearly Review of Performance** (Pages 37 - 56)

To consider the report of the Chief Executive (copy enclosed).

10. **Discretionary Rate Relief Scheme and Approval of Annual Rural Settlement List** (Pages 57 - 116)  
To consider the report of the Director of Customers and Community (copy enclosed).
11. **Local Council Tax Support Scheme 2018 / 19** (Pages 117 - 130)  
To consider the report of the Director of Customers and Community (copy enclosed).
12. **Annual Review of Financial Regulations** (Pages 131 - 200)  
To consider the report of the Director of Resources (copy enclosed).
13. **Proposals for Change to Office Opening Time to Public** (Pages 201 - 204)  
To consider the report of the Director of Customers and Community (copy enclosed).
14. **Replacement Commissioning and Procurement Strategy and Contract Procedure Rules** (Pages 205 - 252)  
To consider the report of the Director of Resources (copy enclosed)
15. **Promenade Park, Maldon - Income Share for the Maldon Mud Race** (Pages 253 - 270)  
To consider the report of the Director of Customers and Community (copy enclosed).
16. **Supplementary Estimates, Virements and Use of Reserves - 1 August - 31 October 2017** (Pages 271 - 274)  
To consider the report of the Director of Resources (copy enclosed).
17. **Half Yearly Treasury Management Update** (Pages 275 - 286)  
To consider the report of the Director of Resources (copy enclosed).
18. **Budgetary Control (April - September 2017)** (Pages 287 - 302)  
To consider the report of the Director of Resources (copy enclosed).
19. **2018 / 19 Budget Proposals** (Pages 303 - 340)  
To consider the report of the Director of Resources (copy enclosed).
20. **Council Tax Base 2018 / 19** (Pages 341 - 346)  
To consider the report of the Director of Resources (copy enclosed).
21. **Any other items of business that the Chairman of the Committee decides are 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  
FINANCE AND CORPORATE SERVICES COMMITTEE  
26 SEPTEMBER 2017**

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**PRESENT**

Chairman	Councillor D M Sismey
Vice-Chairman	Councillor I E Dobson
Councillors	J P F Archer, P G L Elliott, A S Fluker and Miss M R Lewis
Ex-Officio Non-Voting Member	M F L Durham CC
Substitute Members	Councillors R G Boyce MBE and Mrs N G F Shaughnessy

**463. CHAIRMAN'S NOTICES**

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

**464. APOLOGIES FOR ABSENCE AND SUBSTITUTION NOTICE**

Apologies for absence were received from Councillors Mrs B F Acevedo, B S Beale MBE, M S Heard and Rev. A E J Shrimpton. In accordance with notice duly given Councillor R G Boyce MBE was attending as a substitute for Councillor Shrimpton and Councillor Mrs N G F Shaughnessy as a substitute for Councillor Heard.

**465. MINUTES OF THE LAST MEETING**

**RESOLVED**

- (i) that the Minutes of the meeting of the Committee held on 25 July 2017 be received.

**Minute 281 – Apologies for Absence**

Councillor Miss M R Lewis advised that she had not given her apologies for this meeting and did attend the meeting. This was duly noted.

**RESOLVED**

- (ii) that subject to the above amendment the Minutes of the meeting of the Committee held on 25 July 2017 be confirmed.

**466. DISCLOSURE OF INTEREST**

Councillor A S Fluker declared in the interest of openness and transparency that in relation to Agenda Item 16 – Market Site, he knew a person mentioned in the report.

**467. PUBLIC PARTICIPATION**

No requests had been received.

**468. CHAIRMAN'S GOOD NEWS ANNOUNCEMENTS**

There were none.

**469. PROMENADE PARK, MALDON - INCOME SHARE FOR THE MALDON DISTRICT**

The Director of Resources reported that following the meeting of the Community Services Committee she had undertaken some research and spoken to Mr Farrington (Chairman of the Maldon Mud Race Ltd). She sought Members agreement to defer this item of business until the Maldon Mud Race Ltd had completed its return on the charities commission website and filed accounts for 2016 / 17. This was agreed.

**RESOLVED** that determination of the share of car parking income for the Maldon Mud Race 2017 be deferred to a future meeting of this Committee pending the Maldon Mud Race Ltd completing its return on the charities commission site and filing accounts for 2016 / 17.

At this time the Director of Resources reported that in relation to Agenda Item 10 - Replacement Commissioning and Procurement Strategy and Contract Procedure Rules she had been informed of further changes required and requested that Members consider deferring consideration of this item until its next meeting. This was duly agreed.

**RESOLVED** that consideration of the updated Commissioning and Procurement Strategy and Contract Procedure Rules be deferred to a future meeting of this Committee pending further update.

**470. SUPPLEMENTARY ESTIMATE - PROJECT 180**

The Committee considered the report of the Director of Resources, requesting approval of a supplementary estimate to complete work to the recently formed St. Cedd's car park.

The report provided background information regarding the project and the total costs associated with it. It was noted that external lighting, safety barriers and road markings were still outstanding and a supplementary estimate of £9,500 was required to allow completion of this work.

In response to questions regarding the quotation costs received, the Director of Resources advised she was happy to provide Members with a breakdown of the related costs. She also confirmed that details of overtime costs would be included in the final report to the Overview and Scrutiny Committee in relation to this project.

**RESOLVED** that a supplementary estimate of £9,500 to complete works to St. Cedd's Car Park (Project 180) be agreed.

#### **471. ANNUAL REVIEW OF FINANCIAL REGULATIONS**

The Committee considered the report of the Director of Resources proposing revisions to the Financial Regulations following the recent annual review.

A summary of the changes were set out in the report and an updated version of the Financial Regulations was attached at Appendix 1 to the report.

Concerns were raised in respect to how the Financial Regulations sought to address the external arrangements relating to partnerships, with particular reference being made to the ownership and control of such funding. Members were reminded that the Section 151 Officer was ultimately responsible for how funding was spent and terms and conditions complied with, eligibility criteria or anything set out in the original partnership agreement. The Director of Resources suggested that a separate appendix could be incorporated into the Financial Regulations to address Members concerns regarding the specific and detailed requirements on working in partnership.

Members commented on the revised regulations and particular reference was made to ensuring they were complied with. Following further comments the Director of Resources explained that a set of internal procedure notes would sit alongside these Regulations to provide clear and simple instructions in respect of some of the key financial processes e.g. debtors, accounts payable etc. She suggested that these procedure notes be brought to this Committee for overall approval.

Councillor A S Fluker proposed that the Financial Regulations be further amended in light of discussions and brought back to the next meeting of this Committee. This was duly seconded and agreed.

**RESOLVED** that the Financial Regulations be further amended in light of the above discussions and brought back to the next meeting of this Committee.

#### **472. REPLACEMENT COMMISSIONING AND PROCUREMENT STRATEGY AND CONTRACT PROCEDURE RULES**

Members were reminded of their earlier decision to defer consideration of this item of business.

**RESOLVED** that consideration of the updated Commissioning and Procurement Strategy and Contract Procedure Rules be deferred to a future meeting of this Committee pending further update.

#### 473. MEDIUM TERM FINANCIAL STRATEGY - UPDATE

The Committee considered the report of the Director of Resources seeking adoption of a number of principles for the 2018 / 19 budget setting process.

Members were advised that a review of the Medium Term Financial Strategy (MTFS) had taken place and savings of £976,000 were required to close the budget gap in the next three years to 2021. The Corporate Leadership Team (CLT) and Finance Team were currently working on a zero based budget with no growth items. Service reviews would also be carried out to ensure that they were as cost efficient and streamlined as possible. It was noted that 2016 / 17 had seen a significant underspend to capital funding and moving forward only requests that could be delivered within the budget year would be funded.

A number of principles for the 2018 / 19 budget process were proposed and these were set out in the report. The Chairman reminded Members that they were not making any policy decision at this time but being asked to consider these principles which would be used to calculate the MTFS.

Councillor A S Fluker proposed that recommendation (ii) be amended to add the following to the principles list:

- That a balanced budget (or how the Council would achieve a balanced budget) be presented for the years 2018 / 19, 2019 / 20 and 2020 / 21 with options to consider for the Council.

A number of comments were raised regarding the Council's budget and Members were advised how zero based budgets for 2018 / 19 with no additional budget growth, save for extraordinary circumstances, would help Officers to put forward proposals which identify what is needed to achieve a balanced budget.

The proposed amendment to the recommendations in the name of Councillor Fluker was duly seconded and agreed.

**RESOLVED** that the following principles be adopted for the 2018 / 19 budget setting process, in particular that this year's process should focus to balance the corporate budget in the medium term.

- No additional budget growth (including one-offs growths) will be added save for exceptional circumstances;
- The principle of zero based budgeting will apply for the 2018 / 19 budgets onwards;
- The Council is to improve income generated through fees and charges following a review on the existing fees and charges policy;
- By September 2018 a number of service reviews will be completed with a view to identify further savings and improve efficiency;
- These service reviews will report back to the Transformation Board, appropriate Programme Committee and the Finance and Corporate Services Committee;
- Explore the Council's commercial activities to ensure that the Council's income can be maximised. This should include any new fees and charges activities and implementation of the Council's commercial strategy as it is developed;

- Explore further partnership working with other organisations, this includes sharing of our services;
- Review the Policy on Reserves and Balances to ensure that it supports the delivery of the corporate priorities;
- Capital funding will only be allocated if essential, value for money is demonstrated and the project is fully deliverable.
- That a balanced budget (or how the Council would achieve a balanced budget) be presented for the years 2018 / 19, 2019 / 20 and 2020 / 21 with options to consider for the Council.

#### **474. ASSET MANAGEMENT WORKING GROUP**

The Committee considered the report of the Director of Resources seeking recreation of the Asset Management Working Group (AMWG).

The report provided background information regarding the AMWG and a copy of its previous terms of reference were attached at Appendix 1 to the report. Members were advised that in order to increase challenge and provide increased insight of Member views on Asset Management recreation of the AMWG was recommended.

A number of comments were raised regarding the membership of the Working Group and holding meetings in the daytime to increase availability of Officers and save costs.

It was agreed that the request to provide all Members with a copy of the report considered by this Committee on 23 June 2015 which led to the resolution to disband the Asset Management Working Group be added to the recommendations.

#### **RECOMMENDED**

- (i) that the Asset Management Working Group be reformed with immediate effect in accordance with the Terms of Reference attached at **APPENDIX 1** to these Minutes;
- (ii) that subject to (i) above the Council's constitution be amended to allow meetings of the Asset Management Working Group to take place in the evening;
- (iii) that a copy of the report considered by the Finance and Corporate Services Committee on 23 June 2015 which led to the resolution to disband the Asset Management Working Group be circulated to all Members.

#### **475. EXCLUSION OF THE 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 item(s) of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2, 3 and 5 of Part 1 of Schedule 12A to the Act, and that this satisfies the public interest test.

#### **476. HUMAN RESOURCES STATISTICS - QUARTER ONE 2017 / 18**

The Committee received and noted the report of the Director of Resources presenting Human Resources statistics for the period 1 April to 30 June 2017.

Statistics and updates relating to the following areas were detailed in the report:

- Labour Turnover;
- Recruitment;
- Agency workers – attached as Appendix 1 to the report;
- Off payroll workers' procedure;
- Staff Sickness Levels
- Workforce Statistics – attached as Appendix 2 to the report.

The Chairman requested that in future any confidential information in relation to Human Resources Statistics should be presented as a separate report.

In response to a question regarding market supplements, the Director of Resources advised that the Group Manager - People, Performance and Policy was currently reviewing the Council's recruitment and retention policy which included a clause regarding the repayment of market supplements.

**RESOLVED** that the contents of the report be noted.

#### **477. MARKET SITE**

The Committee considered the report of the Director of Resources summarising potential options in relation to a dispute concerning the market place car park.

Councillor A S Fluker proposed that a lease be granted to the claimant with the rights to park cars only on the land tinted blue, yellow and mauve on the EX205994 Filed Title Plan (attached as part of Appendix 1 to the report). This proposal was duly seconded.

Following further discussion it was agreed that if a counter offer was proposed by the claimant this would be brought back to the Committee for consideration.

**RESOLVED**

- (i) that recommendation (i) as set out in the report, for the grant of a lease be agreed subject to modification whereby the claimant be provided with the right to park cars only on the land tinted blue, yellow and mauve on the EX205994 Filed Title Plan (attached as part of Appendix 1 to the report);
- (ii) that an update on progress with the lease be brought to the next meeting of this Committee.

There being no further items of business the Chairman closed the meeting at 8.48 pm.

D M SISMEY  
CHAIRMAN



### **ASSET MANAGEMENT WORKING GROUP**

#### **Constitution and Terms of Reference**

##### Constitution

1. The membership of the Working Group shall be constituted annually by the appointment of two Members from the Finance and Corporate Services, Community Services and Planning and Licensing Committees at their first meetings following the statutory annual meeting of the Council.

##### Terms of Reference

1. To oversee all capital assets owned by or otherwise available to the Council.
2. To oversee system requirements for recording property data.
3. To ensure that adequate processes are in place to highlight future planned maintenance requirements for all Council owned assets and those for which the Council is responsible.
4. To review recommendations for inclusion of budget provision to meet planned maintenance requirements.
5. To establish procedures for reporting mismatches between assets held and those required to secure achievement of corporate or service objectives.
6. To review options on issues affecting asset usage and suitability, including under-utilisation, identification of surplus properties, alternative use and disposal options.
7. To oversee reporting / monitoring arrangements to highlight effective use of Council assets.
8. To review, project appraisals for ongoing asset related projects.
9. To review offers received for purchase of council land or assets.
10. To review asset management progress monitoring reporting at Officer and Member level.
11. To review options for external funding to meet and develop above objectives.

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## **REPORT of DIRECTOR OF RESOURCES**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
28 NOVEMBER 2017**

### **CORPORATE HEALTH AND SAFETY**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To provide an update on corporate health and safety activity from 1 July 2017 to 30 September 2017 (quarter 2).
- 1.2 To show progress with the health and safety action plan for 2017/18.

#### **2. RECOMMENDATIONS**

- (i) that Members review and comment on accident and incident statistics for quarter two; and
- (ii) that Members review and comment on progress with the health and safety action plan for 2017 / 18.

#### **3. SUMMARY OF KEY ISSUES**

- 3.1 There were three accidents during quarter 2.
  - A member of the public complained that her child had an allergic reaction to the water in the Splash Park, however, there were no other complaints of a similar nature and staff checked the chemical levels and all was found to be in order.
  - There were two accidents involving falls whilst the Parks team were working out on site.
- 3.2 None of the accidents needed to be reported to the Health and Safety Executive (HSE) or required further follow up action.
- 3.3 There were four incidents of unacceptable behaviour reported during quarter 2 (the same as for quarter 1) involving staff in Customer Services, Revenues and Benefits, Environmental Health and a referral by Essex Police. Conflict management and lone worker training took place on 18 July 2017, this work was carried over from last year's work plan.
- 3.4 Progress with the health and safety action plan for 2017 / 18 can be seen in **APPENDIX 1**, progress during quarter 2 has been emboldened.

- 3.5 The Parks team were visited by the HSE on 19 July 2017 as part of an intelligence gathering exercise on Hand Arm Vibration (HAV). On 30 August 2017, we were advised that this intelligence had been inputted into a toolkit used by the HSE and this had raised some concerns. We were advised that an inspector would contact the Council in due course to arrange a visit. To date, the Council has not been contacted so a chasing email was sent to the HSE in October 2017, but, they have not yet responded.
- 3.6 A fire safety audit was arranged for 18 October 2017 to ensure our processes remain up to date and valid following the increased occupancy of the building and changes to some of the means of escape.

#### **4. CONCLUSION**

- 4.1 There were very few accidents during quarter 2 and none required further action. The number of unacceptable behaviour incidents remains constant. Conflict management training was delivered this quarter which will assist officers when dealing with difficult behaviour.
- 4.2 Work on the action plan for 2017 / 18 is progressing. Procedures have been reviewed to ensure they are up to date and to spread awareness of the Council's procedures.
- 4.3 A visit from the HSE has indicated that our procedures around hand arm vibration may need to be improved.

#### **5. IMPACT ON CORPORATE GOALS**

- 5.1 Managing health and safety well helps protect the workforce and wider community who may be affected by the Council's activities ensuring that communities stay safe and healthy.

#### **6. IMPLICATIONS**

- (i) **Impact on Customers** – Good health and safety management reduces the number of accidents and injuries to both customers and employees alike. Reduced staff absence resulting from work related injuries or ill health ensures a better service is provided to customers.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – Poor management of health and safety can lead to accidents, injuries, occupational ill health or dangerous occurrences. This may result in avoidable sickness absence and these incidents may be investigated by the Health and Safety Executive (HSE). This could result in prosecution with fines or custodial sentences and an award of costs if found guilty by the courts. In addition the HSE has adopted a "Fee for Fault" policy in which it recharges the cost of investigations if liability is identified. Civil claims by

individuals could lead to significant pay outs which in turn could lead to increased insurance premiums. It can also lead to poor publicity, reputational damage and impacts on staff morale.

- (iv) **Impact on Resources (financial)** – No additional resources required, however, by managing health and safety, there should be less impact on financial resources as identified in (iii) above.
- (v) **Impact of Resources (human)** – No additional resources are required, however, by preventing accidents and ill health, there should be less impact on human resources.
- (vi) **Impact on the Environment** – Good health and safety management of the workplace, for example, management of asbestos and legionella, helps provide a safer and healthier environment in which to live and work.

Background Papers: None.

Enquiries to: Gill Gibson, Health and Safety Adviser, (Tel: 01621 875813).

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## HEALTH AND SAFETY ACTION PLAN 2017-18

Subject	Action Required	Timescale	Progress
Health and Safety Arrangements	<p>To review all the corporate health and safety procedures falling due during 2017-18</p> <ul style="list-style-type: none"> <li>• Accident and Near Miss Reporting</li> <li>• Bomb and Terrorism</li> <li>• Contractors</li> <li>• Fire</li> <li>• First Aid Arrangements</li> <li>• Legionella Arrangements</li> <li>• Lone Working</li> <li>• Manual Handling</li> <li>• Sharp and Needle Stick Injuries</li> <li>• Unacceptable Behaviour</li> <li>• Workplace Arrangements</li> <li>• Workplace Transport</li> <li>• Young Persons</li> </ul>	<p>June 2017</p> <p>September 2017</p> <p>December 2017</p>	<ul style="list-style-type: none"> <li>• The fire procedure was reviewed and updated to incorporate office changes.</li> <li>• The contractors' procedure was reviewed and updated to incorporate changes in legislation.</li> <li>• The first aid arrangements and accident procedure have both been reviewed. Improvements have been suggested to the accident reporting procedure which are being implemented.</li> <li>• The Health and Safety Committee decided to review the Bomb and Terrorism procedure once the police have moved into the Council offices in Princes Road, Maldon, so that corporate procedures could be aligned with Police procedures.</li> <li>• <b>Manual handling, unacceptable behaviour and workplace transport arrangements have all been reviewed.</b></li> <li>• <b>Health and Safety Committee representatives have been asked to feedback any comments on the following procedures: sharp and needle stick injuries and workplace arrangements by the end of November 2017.</b></li> </ul>
Risk Assessments	<p>To review all service risk assessments</p> <ul style="list-style-type: none"> <li>• Customer Services</li> <li>• Environmental Health</li> <li>• Facilities</li> <li>• Finance</li> <li>• Housing</li> <li>• IT</li> <li>• Legal and Democratic Services</li> <li>• Parks</li> <li>• Park Rangers</li> </ul>	December 2017	

Subject	Action Required	Timescale	Progress
	<ul style="list-style-type: none"> <li>• Planning and Building Control</li> <li>• People, Policy and Performance (PPP)</li> <li>• Revenues and Benefits</li> </ul>		
Legionella	To review the procedures in place to manage the risk from legionella and identify any shortcomings	October 2017	
Training	<p>To deliver the health and safety training where required, to include:</p> <ul style="list-style-type: none"> <li>• Conflict management / diffusing aggression techniques</li> <li>• Refresher first aid training</li> <li>• Mental health first aider training</li> <li>• Developing an e-learning module for manual handling</li> </ul>	<p>October 2017 (carried over from 2016-17 action plan)</p> <p>As and when required December 2017 March 2018</p>	<p>Conflict management training has been organised. <b>Training took place on the 18<sup>th</sup> July 2017.</b></p> <p><b>Mental health first aid training has been organised for the 7<sup>th</sup> and 14<sup>th</sup> December 2017.</b></p>





## **REPORT of DIRECTOR OF RESOURCES**

to  
**FINANCE AND CORPORATE SERVICES COMMITTEE**  
**28 NOVEMBER 2017**

### **STRATEGIC HUMAN RESOURCES UPDATE - QUARTER TWO 2017 / 18**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To present the Council's human resource statistics for the period 1 July 2017 to 30 September 2017. The main purpose of the report is to provide an update on the levels over the past quarter of vacancies, staff turnover, sickness absence, staff numbers and staff data to meet equality standards, as well as to report on key statistics for the 17/18 financial year.

#### **2. RECOMMENDATION**

That Members review and comment on the contents of this report.

#### **3. SUMMARY OF KEY ISSUES**

- 3.1 This report is for Members' information only.

##### **3.2 Labour Turnover**

- 3.2.1 **Quarter 2 (Q2):** The staff turnover was based on an average of 223.66 staff employed in post between 1 July 2017 and 30 September 2017. There were 12 leavers and 15 starters in Q2.

- 3.2.2 Service level turnover for Q2 2017 / 18 is as follows:

Directorate	Leavers	Reasons for Leaving	Q2 Average* <sup>1</sup> Headcount	Average Full Time Equivalent (FTE) per Service	% of Service Staffing that was a Leaver per Service
Corporate Core	n/a	n/a	7	6.41	
Resources	1	Resignation	51.33	39.87	1.95%
Customers and Community	7	5 Resignations 1 End Fixed Term Contract (FTC) 1 Dismissal	92	74.07	7.6%

Directorate	Leavers	Reasons for Leaving	Q2 Average <sup>*1</sup> Headcount	Average Full Time Equivalent (FTE) per Service	% of Service Staffing that was a Leaver per Service
Planning and Regulatory Services	4	3 Resignations 1 Retirement	73.33	63.93	5.45%
<b>Total</b>	<b>12</b>		<b>223.66</b>	<b>184.28</b>	<b>5.37%</b>

*\*1 – Average headcount: figure averaged from Q2 month ends*

#### 4. RECRUITMENT

- 4.1 There has been a high amount of recruitment during Q2; a total of 16 external vacancies have been advertised (plus an advertisement for up to 20 temporary Register Canvassers); seven posts have been within the Customers and Community Directorate, one post within the Planning and Regulatory Services Directorate and eight in the Resources Directorate.
- 4.2 A total of eight internal vacancies have been advertised, four of which were in the Customers and Community Directorate and four within the Planning and Regulatory Services Department.
- 4.3 A large portion of the posts advertised were as a consequence of the recent organisational re-structure within the Customers and Community Directorate; as well as due to changes within the Elections team.
- 4.4 All external posts continue to be advertised on the Council website as well as via social media including Facebook and Twitter, Indeed (one of the largest and free of charge job search engines), and via Job Centre Plus - and any other relevant professional journals / media where appropriate, ensuring as wide reach as possible to potential candidates.
- 4.5 Please see below the external and internal vacancies for Q2 2017 / 18.
- 4.6 **Q2 External Vacancies:**

Directorate	Posts Advertised	Positions	Post advertised on Maldon District Council (MDC) website, Indeed, Twitter and Facebook
<b>Customers and Community</b>	Sampling Officer	1	Yes
	Community Protection Officer	1	Yes
	Apprentice Revenues and Benefits	1	Yes

Directorate	Posts Advertised	Positions	Post advertised on Maldon District Council (MDC) website, Indeed, Twitter and Facebook
	Customers Team Leader (Rates and Recovery)	1	Yes
	Customers Team Leader (Systems, Technical and Compliance)	1	Yes
	Principal Customers Officer (Rates and Benefits)	1	Yes
	Senior Customer Officer (Rates)	1	Yes
<b>Resources</b>	Senior Technical Officer	1	Yes
	Assistant Electoral Management Officer	1	Yes
	Assistant Electoral Management FTC	1	Yes
	Information Governance Officer	1	Yes
	Senior Solicitor FTC	1	Yes
	Committee Services Officer	1	Yes
	Senior Solicitor FTC Maternity Cover	1	Yes
	Electoral Administration Officer	1	Yes
	Register Canvass Assistants	20	Yes
<b>Planning and Regulatory Services</b>	Director of Planning & Regulatory Services	1	Yes
	<b>Total</b>	<b>36</b>	

#### 4.7 Q2 Internal Vacancies:

Directorate	Posts Advertised	Positions	Post advertised on intranet
<b>Customers and Community</b>	Services Manager Environmental Health	1	Yes
	Customer Manager (Interventions)	1	Yes
	Customer Manager (Solutions)	1	Yes
	Community Protection Officer	1	Yes

Directorate	Posts Advertised	Positions	Post advertised on intranet
<b>Resources</b>	Assistant Electoral Management Officer	1	Yes
	Information Governance Officer	1	Yes
	Electoral Administration Officer	1	Yes
	Cleaner	1	Yes
<b>Planning and Regulatory Services</b>	None	0	
	<b>Total Posts</b>	<b>8</b>	

- 4.8 Please note that all Members are now sent a list of all Council vacancies on or around 19<sup>th</sup> of every month.

## **5. AGENCY WORKERS**

- 5.1 Information on agency workers will be provided to the Finance and Corporate Services Committee on a bi-annual basis.

## **6. OFF PAYROLL WORKERS PROCEDURE**

- 6.1 A new Off Payroll Workers Procedure has been developed which sets out the way the Council will manage and control the use of off payroll workers and ensure that rights of agency workers are observed in accordance with the Agency Workers Regulations 2010 and IR35 legislation. All managers received training at Manager's Forums held in August / September.

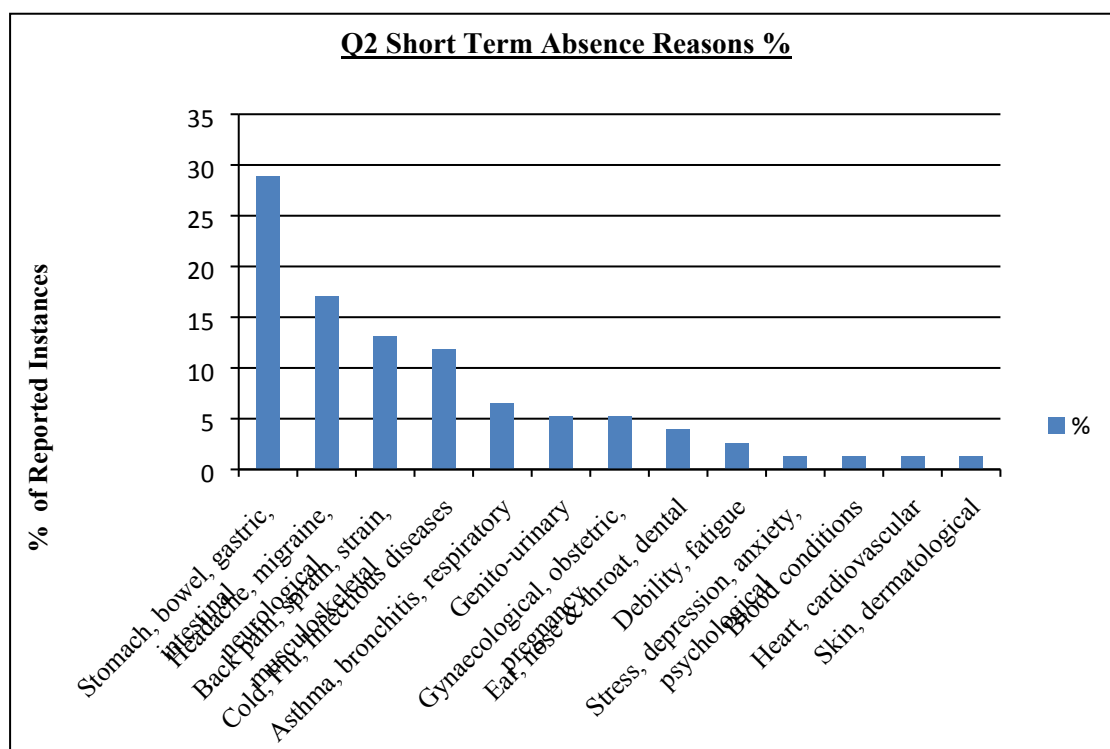
## **7. GRIEVANCE POLICY**

- 7.1 The Council's Grievance Policy has recently been updated to include further support for parties involved in the grievance process.

## **8. STAFF SICKNESS LEVELS**

- 8.1 The 2017 / 18 Q2 overall sickness figure (short and long term combined) fell to 428.96 total FTE days lost or 2.33 days total days lost per FTE. **This is the lowest quarterly overall figure since Q1 2014 / 15** and demonstrates that the HR interventions, management training and the new policy put in place to reduce levels are making a highly positive impact.

- 8.2 The total days lost per FTE (short and long term absence combined) have reduced also since Q1 from 2.89 total days lost per FTE in Q1 17/18 to 2.33 total days lost per FTE in Q2.
- 8.3 The figures for Q2 with regard to short term sickness have increased by 29% from 163.65 total FTE days lost in Q1 to 230.32 total FTE days lost in Q1.
- 8.4 The reasons for Short Term Absence, by percentage of total absences for Q2 are shown below:



- 8.5 The figures for Q2 with regard to long term absence show a **significant decrease** of 50% from 393.05 total FTE days lost in Q1 to 198.64 in Q2. Human Resources and Management continue to work in partnership to manage long term absences cases and implement effective interventions under the Attendance Management Policy. Following long term absences in Q1, three staff have returned to work, one has been redeployed to enable a return to work, one has resigned and one has been managed under the Ill Health Incapacity Policy and has now left the organisation.
- 8.6 Free of charge flu vaccinations have again this year been offered to all staff and Members. This is hoped to have an impact on short term absence figures, particularly in the forthcoming winter months.
- 8.7 Managers are continuing to receive a monthly report showing sickness absence trigger information via a 'Bradford Score' report generated by the new HR system. This shows the manager where action must be taken to instigate the formal absence management process with their staff. Other interventions that have been introduced to reduce sickness absence include the mandatory introduction of return to work interviews, the completion of which is monitored, and the provision of a new and highly responsive occupational health provision in the last financial year. HR

continues to work closely with managers to ensure that all absence cases are managed appropriately and in accordance with policy. Line managers are also required to report back on their actions taken to manage attendance on a monthly basis to HR.

- 8.8 It is hoped that the new Policy and processes will facilitate a reduction in average sickness absence levels closer to the 8 days MDC target figure for the 2017 / 18 financial year.
- 8.9 A follow up training and workshop session on Attendance Management was delivered to all managers at the Manager's Forums in August and September and further follow up sessions will be held during the rest of the financial year. As part of these sessions, the attendance management figures were reported to managers and managers were made aware again of the Key Performance Indicator (KPI) target figure and the importance of them taking responsibility to manage attendance levels in their teams and to undertake the appropriate actions under the Policy.

**Figure 1**

Please find below the sickness for each quarter for 2016 / 17 and 2017 / 18

<b>2017 / 18</b>	<b>Quarter One</b>		<b>Quarter Two</b>		<b>Quarter Three</b>		<b>Quarter Four</b>		<b>Cumulative Figures</b>	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	163.65	0.85	230.32	1.25						
Long Term Absence	393.05	2.04	198.64	1.08						
Total	<b>556.70</b>	<b>2.89</b>	<b>428.96</b>	<b>2.33</b>						

<b>2016 / 17</b>	<b>Quarter One</b>		<b>Quarter Two</b>		<b>Quarter Three</b>		<b>Quarter Four</b>		<b>Cumulative Figures</b>	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	237.94	1.25	241.39	1.21	259.46	1.31	306.53	1.55	1045.32	5.32
Long Term Absence	290.83	1.52	372.46	1.89	393.37	1.99	331.78	1.68	1388.44	7.08
Total	528.77	2.77	613.85	3.1	652.83	3.3	638.31	3.23	2433.76	12.4

## **9. WORKFORCE STATISTICS**

- 9.1 Please see **APPENDIX 1** attached to this report for the key statistics relating to staff including headcount, age profile, gender, sex and ethnic origin across the workforce.

## **10. ORGANISATIONAL CHANGE**

- 10.1 Within the Customers and Community Directorate: HR continues to work closely with the Group Manager – Customers in order to support the organisational change, consultation and recruitment process, in light of the revised structure; as well as the Group Manager – Leisure, Countryside and Tourism in view of the structural changes to the administrative function within the team.

## **11. EMPLOYEE ASSISTANCE PROGRAMME – UTILISATION REPORT**

- 11.1 HR and managers continue to promote Workplace Options to all staff. Feedback is generally very positive. Please see the Utilisation Report at **APPENDIX 2**.

## **12. WORKFORCE DEVELOPMENT STRATEGY – UPDATE ON FORWARD PLAN**

- 12.1 The Workforce Development Strategy (WDS) has delivered on some key areas in the last year, most importantly, a new performance appraisal procedure and competency framework; new core values and a revised approach to attendance management. This alongside our continued focus on employee engagement, as the more a workforce is engaged the higher performance will be achieved.

- 12.2 These key areas will continue to be regularly monitored and promoted to ensure they remain at the heart of workforce development. The WDS has now moved its focus to the key areas for 2017 / 18 as follows:

### **12.3 The key areas for 2017 / 18:**

a) **Monitor the use of the Performance Review System**

The results of the trial period for 2016 / 17 have been collated and the moderation panel will be meeting in December.

b) **Develop a Recruitment Strategy**

The Recruitment and Retention Strategy is required to embrace the changing landscape with new legislation and the work being carried out in partnership across the Eastern Region via EELGA to combat the skills shortage in Planning. A new dimension is also emerging from transformation and will be reflected in the strategy, in terms of skills and behaviours needed as the Council determines the direction going forward. 1] Recruitment and Retention Strategy version 1– autumn 2017. 2] Off Payroll worker Procedures – implemented and training delivered; 3] Recruitment and Retention allowances Policy – in draft and under consultation.



**c) Introduce a Total Reward Policy**

3] The Total Reward Policy will combine the various policies and procedure containing reference to remuneration and allowances. Once complete this will be highlighted to staff of the total remuneration package the council provides to staff under the employee value proposition.

**d) Conduct a Council wide Skills Audit**

This is in the planning and development stage and will be referred to the Corporate Leadership Team (CLT) during November 2017.

### **13. CONCLUSION**

- 13.1 The 2017 / 18 Q2 overall sickness figure (short and long term combined) fell to 428.96 total FTE days lost or 2.33 days total days lost per FTE. **This is the lowest quarterly overall figure since Q1 14/15.**
- 13.2 The total days lost per FTE (short and long term absence combined) have reduced from 2.89 total days lost per FTE in Q1 2017 / 18 to 2.33 total days lost per FTE in Q2.
- 13.3 The figures for Q2 with regard to short term sickness have increased by 29% from 163.65 total FTE days lost in Q1 to 230.32 total FTE days lost in Q1.
- 13.4 The figures for Q2 with regard to long term absence show a **significant decrease** of 50% from 393.05 total FTE days lost in Q1 to 198.64 in Q2.

### **14. IMPACT ON CORPORATE GOALS**

- 14.1 The implementation of the new Attendance Management Policy is critical to ensure that staff attendance levels are kept at the highest possible level to ensure resourcing is adequate in order to deliver an effective and efficient service for our customers.

### **15. IMPLICATIONS**

- (i) **Impact on Customers** – No direct impact on customers from this report, although the wider staff context concerning recruitment, vacancies and sickness has an impact on the ability to deliver services to customers.
- (ii) **Impact on Equalities** – More detailed information on the protected characteristics of the Council's workforce, is now available on the new Human Resources system. This will allow the team to consider the needs of those groups when writing new Policies and Procedures and when carrying out its functions.
- (iii) **Impact on Risk** – Effective and proactive management of staff sickness and recruitment helps mitigate risk.

- (iv) **Impact on Resources (financial)** – The cost of advertisements and other necessary costs related to recruitment are included within current approved budgets.
- (v) **Impact on Resources (human)** – HR continues to regularly provide advice and guidance to both employees and managers on how best to manage attendance using the good practice steps outlined within the Managing Attendance Policy and Procedure. Staff absences do affect direct colleagues and this is addressed by the use of the Managing Attendance Policy with individuals.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

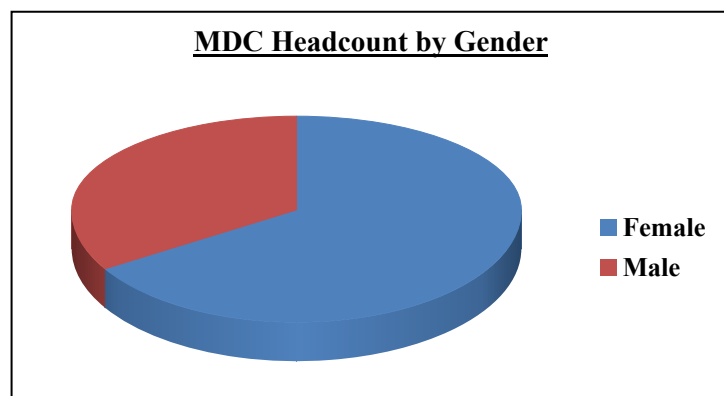
Enquiries to:

Dawn Moyse, Group Manager, People, Performance and Policy, (Tel: 01621 875869) or  
Helena Beattie, Senior HR Business Partner / Team Leader, (Tel: 01621 876281).

## Workforce Statistics: Quarter Two 2017 / 18

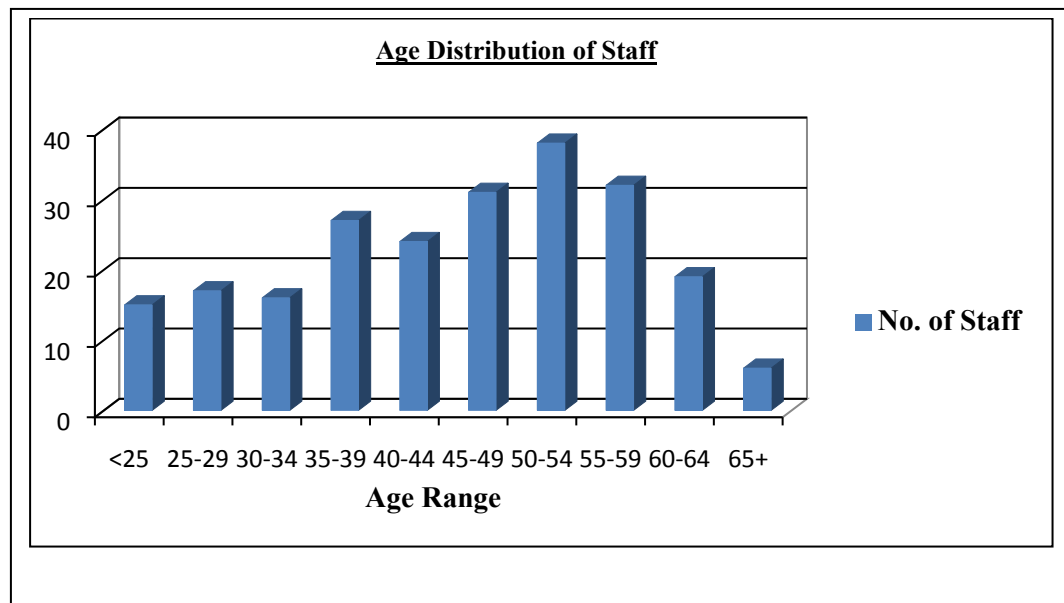
### 1. Headcount and Full Time Equivalent (FTE) by Gender<sup>¶</sup>

		Q1	Q2
Female	Headcount	153	149
	FTE	122.84	121.50
	% Workforce	67.11%	66.22%
Male	Headcount	75	76
	FTE	69.39	71.64
	% Workforce	32.89%	33.78%
Total	Headcount	228	225
	FTE	192.23	193.14



### 2. Age Profile

	Corporate Core	Customers & Community	Planning & Regulatory	Resources	Organisation Total
Age Range	Number of Staff				
<25		10	3	2	15
25-29		6	8	3	17
30-34	1	6	4	5	16
35-39	2	10	8	7	27
40-44	1	8	7	8	24
45-49	1	14	10	6	31
50-54	1	15	12	10	38
55-59	1	12	12	7	32
60-64		9	7	3	19
65+		2	3	1	6
Total	7	92	74	52	225



## APPENDIX 1

Part of workforce planning includes undertaking workforce profiling of a number of measures, one of which is analysis of the age demographics of the workforce. Demographic change will have a profound effect on the UK labour markets in the next two decades and beyond. Nationally we have an ageing workforce, with over 30% of the workforce in the UK over the age of 50, and there are unlikely to be enough younger people entering the labour market to replace this group when they leave the workforce, taking their skills and experience with them<sup>3</sup>. Employers need to recognise the potential issues they face, such as skills shortages, productivity challenges, labour shortfalls and an inability to meet customer service and production targets. This is reflected in our own workforce profile with 56% of staff being over 45 and 7% being under 25; 17% of staff are between the 50-54 age range.

This information suggests we need to be proactive in helping to plan for retirements and look at how we will recruit suitably skilled staff; develop existing staff and retain ageing staff via flexible retirement options, for example.

In addition - action should continue be taken to attract younger workers as they are under-represented in the workforce e.g. via apprenticeships. We had 3 apprentices working for the Council during Q2.

### **2. Number of Full and Part Time Employees by Gender\*1**

	Q1		Q2	
	MALE	FEMALE	MALE	FEMALE
Full Time	65	84	68	81
Part Time	10	69	8	68
<b>Total</b>	<b>75</b>	<b>153</b>	<b>76</b>	<b>149</b>

### **3. Headcount by Directorate**

Section	Number of staff in QTR 1 (Average*2)	Number of staff in QTR 1 (Average*2)
Corporate Core	6.41	7
Resources	53	51.33
Customers and Community	98.33	92
Planning and Regulatory Services	68	73.33
<b>Total</b>	<b>225.74</b>	<b>223.66</b>

**4. Headcount by Ethnic Group**<sup>\*1</sup>

	Quarter 1	Quarter 2
A White British	162	162
A White English	48	48
A White Irish	2	2
A White Scottish	2	2
A White Welsh		1
B Mixed White & Asian		1
B Mixed White & Black African		
B Mixed White & Black Bangladeshi	1	2
C Asian, Asian British Bangladeshi		
C Asian, Asian British Indian		
C Asian, Asian British Pakistani		
D Black, Black British African		
D Black, Black British Caribbean		
E Chinese, Chinese British / other ethnic Chinese	1	1
F Other	3	2
G Prefer not to say	9	4
<b>TOTAL</b>	<b>228</b>	<b>225</b>

<sup>\*1</sup> Headcount data extracted from last date in reported quarter. Please also note the above data does not include information on staff employed on zero hours contracts / seasonal staff contracts.

<sup>\*2</sup> Headcount figure averaged from month ends within each quarter.

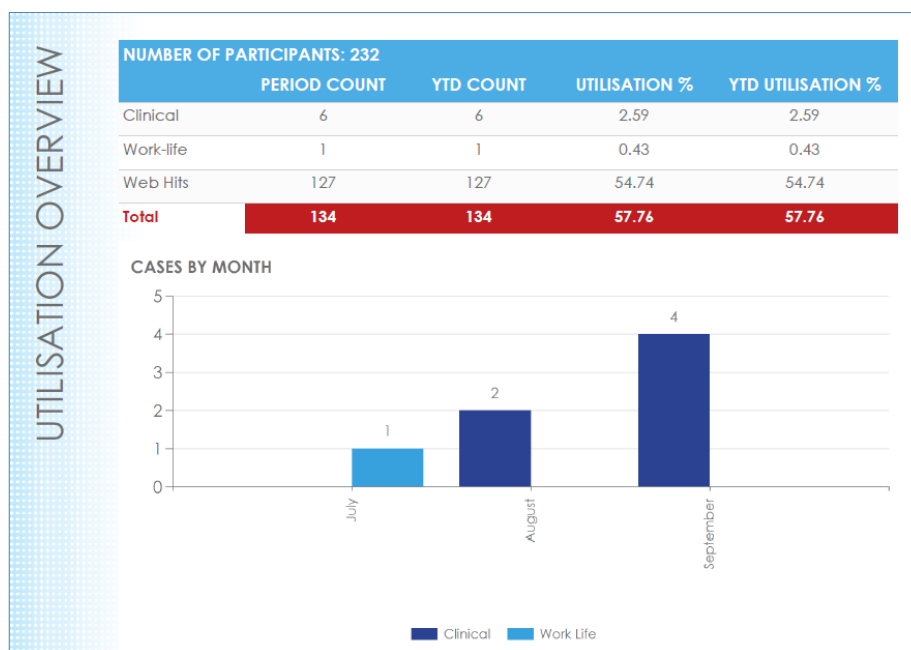
<sup>\*3</sup> Chartered Institute of Personnel and Development (CIPD) Avoiding the demographic crunch: Labour Supply and the Ageing Workforce – Policy Report

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## Employee Assistance Programme: Workplace Options, Quarter 2: User Statistics

### 1. Please see below the utilisation report for Q1 and Q2.

Maldon District Council's overall usage of services during the period, 01 April 2017 to 30 September 2017, was seven cases. The projected annual utilisation for Maldon District Council is 6.02% which is greater than the Book of Business's (BOB) benchmark of 2.98%. There were six Employee Assistance Programme (EAP) counselling cases, and one work-life case. Usage is lower compared to the previous year during this time period where utilisation was 3.50%. Year to date the number of cases broken out by gender are: 28.57% male and 71.43% female.



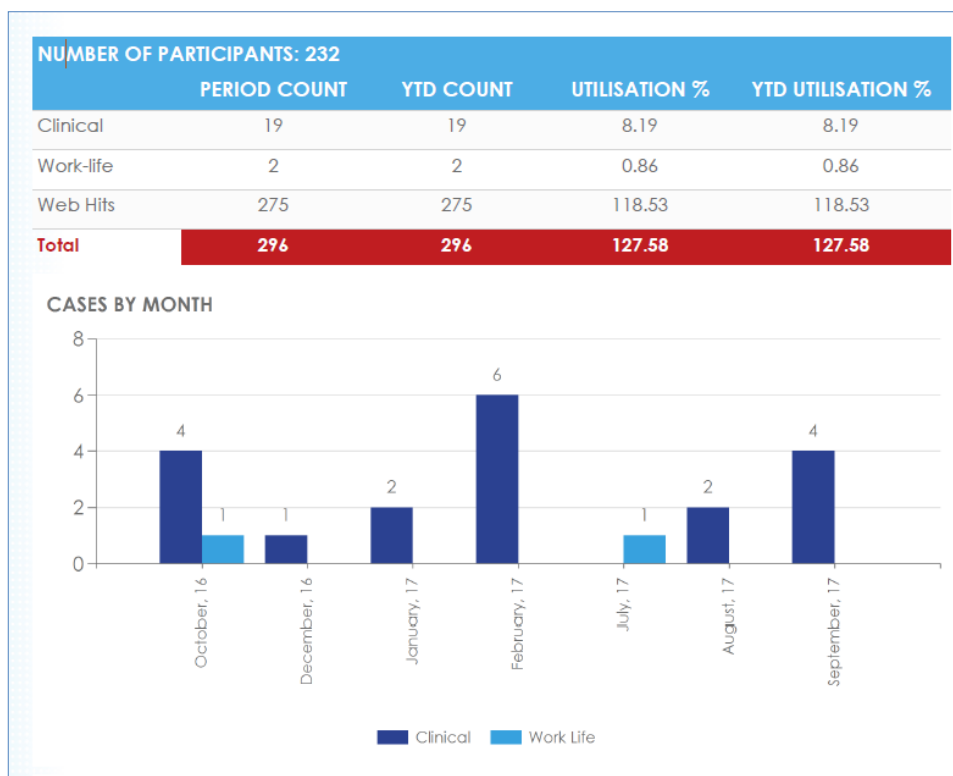
	Q1	Q2	Q3	Q4	TOTAL
<b>Clinical</b>					
General Assistance Clinical	1	5			6
Face to Face Counseling		3			3
Structured Telephonic Counseling		2			2
Aware- mindfulness-based stress reduction		1			1
<b>Sub Total</b>	<b>1</b>	<b>11</b>			<b>12</b>
<b>Work-life</b>					
Legal Consultation		1			1
<b>Sub Total</b>		<b>1</b>			<b>1</b>
<b>Total</b>	<b>1</b>	<b>12</b>			<b>13</b>
Total Utilisation	0.43	5.17			5.60
Web Logins	9	14			23
Number of Individual Participants Utilising Services	1	5			6
Web Usage % (Based on Logins)	3.88	6.03			9.91

### 2. Utilisation Report: 1 October 2016 to 30 September 2017

Maldon District Council's overall usage of services during the annual period, 01 October 2016 to 30 September 2017, was 21 cases. The projected annual utilisation for Maldon District Council is 9.05% which is greater than the Book of Business's (BOB) benchmark of 2.98%. There were 19 EAP counselling cases, and two worklife cases. Usage is lower

## APPENDIX 2

compared to the previous year during this time period where utilisation was 10.50%. Year to date the number of cases broken out by gender are: 9.52% male and 90.48% female.



	Q1	Q2	Q3	Q4	TOTAL
<b>Clinical</b>					
General Assistance Clinical	3	3	1	5	12
Face to Face Counseling	3			3	6
Long Term/Psychiatrist Referral		6			6
Clinical First Call Resolution	2	2			4
Structured Telephonic Counseling				2	2
Aware- mindfulness-based stress reduction				1	1
<b>Sub Total</b>	<b>8</b>	<b>11</b>	<b>1</b>	<b>11</b>	<b>31</b>
<b>Work-life</b>					
Daily Living	1				1
Legal Consultation				1	1
<b>Sub Total</b>	<b>1</b>			<b>1</b>	<b>2</b>
<b>Total</b>	<b>9</b>	<b>11</b>	<b>1</b>	<b>12</b>	<b>33</b>
Total Utilisation	3.88	4.74	0.43	5.17	14.22
Web Logins	10	7	9	14	40
Number of Individual Participants Utilising Services	5	6	1	5	17
Web Usage % (Based on Logins)	4.31	3.02	3.88	6.03	17.24

- The EAP is offered to both employees and Members. The annual cost of the EAP is £4.95 per head (£1,267 total) - therefore on the basis of the utilisation rates over the past year, this represents good value for money. Positive feedback has been received from staff particularly regarding the quality of counselling services received.

As well as using an EAP to help safeguard employees' mental health and wellbeing, employers can also benefit. A healthier, happier workforce means lower sickness absence rates, increased productivity and higher levels of engagement.





## **REPORT of DIRECTOR OF RESOURCES**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
28 NOVEMBER 2017**

### **HALF YEARLY REVIEW OF PERFORMANCE**

#### **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to supply Members with details of performance against targets set for 2017 / 18 and to ensure that progress is being achieved towards the corporate goals and the objectives detailed in the Corporate Plan 2015-19 adopted by Council in February 2015 (Minute No. 828 refers) with the most recent annual update approved by Council in April 2017.
- 1.2 Members should challenge performance or allocation of resources where the Committee feels that the Council's corporate goals have not or may not be achieved.
- 1.3 Where performance or progress is behind schedule or at risk, the reasons why need to be fully understood and decisions taken on what, if any, action is required to bring performance back on track.
- 1.4 Quarterly reviews of performance are undertaken by the Corporate Leadership Team and the Overview and Scrutiny Committee.
- 1.5 All of the performance information contained within this report is recorded on the Council's Performance and Risk Management system (TEN) to which all Members have access.


#### **2. RECOMMENDATION**

That Members review and comment on the information as set out in this report and **APPENDIX 1**.

#### **3. SUMMARY OF KEY ISSUES**

- 3.1 The format of the half yearly performance reports to this Committee is on an "exception" basis i.e. only those activities and indicators that are behind schedule, at risk or not on target will be included. This will ensure the focus is on those areas requiring attention and assisting Members to challenge performance or allocation of resources where the Council's corporate goals may not be achieved.

- 3.2 **APPENDIX 1** to this report details for each of the corporate goals:
- The key corporate activities which are assessed as being “behind schedule” or “at risk of not being achieved”
  - Indicators which are at risk of not achieving the end of year target.

3.1.1 The activities / indicators aligned with this Committee have been marked  to provide easy identification by Members.

3.3 There have been successes and achievements in the first half year of 2017/ 18, including:

- The 17/18 Q2 overall sickness figure (short and long term combined) fell to 428.96 Full Time Equivalent (FTE) days lost or 2.33 days total days lost per FTE. This is the lowest quarterly overall figure since Q1 2014 / 15 and demonstrates that the HR interventions, management training and new policy put in place to reduce sickness levels are having a positive impact. The long term absence for Q2 showed a significant decrease of 50% from Q1 and Human Resources continue to work in partnership with managers to manage long term absence cases and implement effective interventions under the Attendance Management Policy.
- The Elections team successfully dealt with the snap General Election at short notice, followed quickly by a Neighbourhood Planning Referendum and Parish By-Election.
- The police relocated to their new base in the Council Offices in the summer.
- The Accounts were signed off before the 30 September deadline with an unqualified opinion.

#### 3.4 **Complaints Received**

3.4.1 Nine complaints and two compliments about services that report to this Committee were received by the Council between 1 April and 30 September 2017

Service Area	Total no. of compliments for service	Total no. of complaints for service
Legal and Democratic Services	1	1
Revenues and Benefits	1	7
IT	-	1

3.4.2 All complaints received are investigated and action taken to improve service delivery where learnings are identified.

## 4. **CONCLUSION**

4.1 Good progress has been made on a number of activities which will contribute to the Council’s corporate goals and objectives. However, there are key corporate activities at risk or behind schedule and performance indicators which will not achieve the end

of year target. The reasons why need to be fully understood and decisions taken on what, if any, action is required to bring performance back on track.

## **5. IMPACT ON CORPORATE GOALS**

- 5.1 The Council stated its corporate goals and objectives in the Corporate Plan for 2015-19.
- 5.2 In turn, the services agreed actions (Key Corporate Activities) that they would take forward in 2017 / 18 to contribute to the achievement of these objectives. Performance indicators and measures were established to monitor the impact of these actions and to provide evidence of achievements.
- 5.3 To ensure that Maldon District Council (MDC) progresses towards or achieves the goals stated in the Corporate Plan, it is important that performance is monitored and managed against targets and milestones.
- 5.4 It is also important as the Council is accountable to the community that it is able to demonstrate it is monitoring and managing performance effectively.

## **6. IMPLICATIONS**

- (i) **Impact on Customers** – Performance Management is about agreeing and achieving objectives and priorities, monitoring our performance against agreed targets and timescales, identifying opportunities for improvement, making necessary changes and ultimately delivering quality public services.
- (ii) **Impact on Equalities** – For the Council “Equalities” means understanding our staff and customers and making sure that our policies and services are designed to meet their needs and implemented appropriately.

MDC is committed to providing equal opportunity of access to services, and level of service provided, and to work towards developing communities that are free from discrimination.

- (iii) **Impact on Risk** – If performance is not managed effectively by the Council at both Committee and management level, there is a risk that the Council will not achieve its stated priorities and outcomes.
- (iv) **Impact on Resources (financial and human)** – If action is needed to bring key activities or indicators back on track to meet the targets set, a reallocation of resources may be required to ensure that objectives and priorities are achieved.
- (v) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Emma Foy, Director of Resources, (01621 875762) or Julia Bawden, Performance and Risk Officer, (Tel: 01621 876223).

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## Half Yearly Review of Performance 2017-18



## FINANCE &amp; CORPORATE SERVICES COMMITTEE

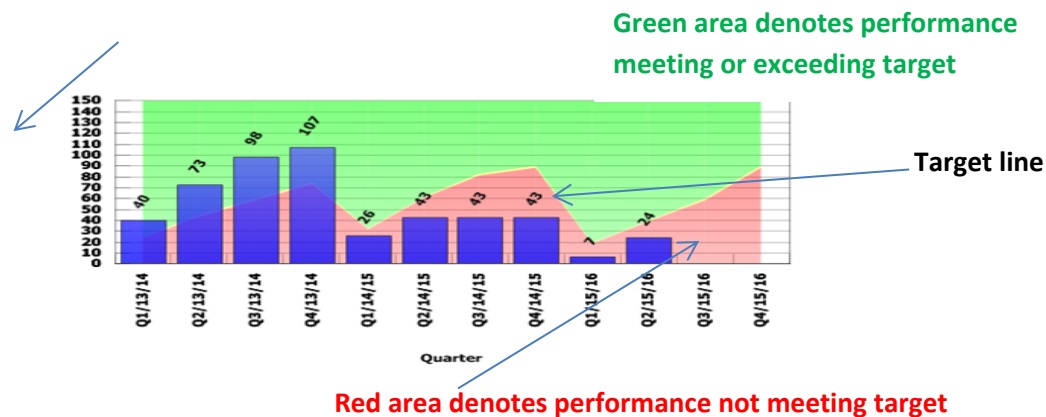
## HALF YEARLY REVIEW OF PERFORMANCE 2017-18

The performance reports are produced on an “exception” basis; full details will only be included for those activities and indicators which are behind schedule, at risk or not on target

## Example Performance Indicator Graph

## Status Definitions for Key Corporate Activities

At Risk	There are issues which could impact the completion/ achievement of the Key Corporate Activity in the future
Behind Schedule	Target date for completion of the Key Corporate Activity , or milestones upon which activity depends, have not been met
On Track	Work progressing satisfactorily, milestones upon which the activity depends are being met and overall target for completion should be achieved
Completed	Key Corporate Activity completed – no further work required



## Half Yearly Review of Performance 2017-18

**Corporate Goal - Strengthening communities to be safe, active and healthy**

Key Corporate Activities contributing to this goal - 4			
At Risk	Behind Schedule	On Track	Completed
	1	3	

Key Corporate Activities (KCAs)	Target Date	Status	Comments
<b>Identify and implement Strengthening Communities Strategy projects,</b> such as 1) providing at least three volunteer projects within the District's open spaces for improved conservation or improved amenity of those areas 2) Pilot project to tackle social isolation in identified area of need	March 2018	Behind schedule	<p>The Strengthening Communities Task and Finish Group will meet in November, when the Member Group will be asked to endorse the Strengthening Communities Strategy, or to make recommendations for changes.</p> <p>Work has been aligned with the Health and Wellbeing priorities, so that we are maximising the opportunities for targeted and sustainable projects.</p> <p>Work continues on a pilot project in the north of the District, targeting areas which are at a high risk of loneliness and isolation. This project is being supported by resources provided by Essex County Council (ECC), including a formal evaluation of the project.</p> <p>Officers are also developing a work stream to maximise volunteering opportunities in the Communities and Coast team. A number of volunteer projects have been implemented on Council sites, including Promenade Park, Elms Farm Park, Maldon, Heybridge and Burnham on Crouch Cemeteries. An average 5-6 people have been volunteering on a fortnightly basis. A number of discussions have taken place with larger employers about conservation projects that their staff could contribute to and it is likely that the Community Payback scheme will be undertaking projects later in the year.</p>

## Half Yearly Review of Performance 2017-18

## Indicators

For comparison purposes, where available, the figures for the previous year, for the same period in the previous year and the previous quarter are provided.

Indicator	16/17 Actual	17/18 Target	Q2 16/17	Cumulative For the Year 16/17	Q1 17/18	Q2 17/18	Cumulative For the Year 17/18	On track to achieve annual target																										
Level of reported crime  <i>Low performance is good</i>	2,422 Incidents of all crime	Fewer reported incidents than in previous year	667 Incidents of all crime	1,298 Incidents of all crime	675 Incidents of all crime	669 Incidents of all crime	1,344 Incidents of all crime	No																										
	1,000 ASB incidents		306 ASB incidents	551 ASB incidents	250 ASB incidents	297 ASB incidents	547 ASB incidents	At risk																										
	Sanctioned detection rate 12.5%	No target	10.5% (April – Sept 2016)	10.5% (April – Sept 2016)	11.1%	11.1% (for the year to date)	11.1% (for the year to date)	N/A																										
<a href="#">Comment on current performance</a>  See below				<table><caption>Reported Crime Incidents by Quarter</caption><thead><tr><th>Quarter</th><th>Incidents</th></tr></thead><tbody><tr><td>Q1/15/16</td><td>548</td></tr><tr><td>Q2/15/16</td><td>1,168</td></tr><tr><td>Q3/15/16</td><td>1,760</td></tr><tr><td>Q4/15/16</td><td>2,341</td></tr><tr><td>Q1/16/17</td><td>631</td></tr><tr><td>Q2/16/17</td><td>1,298</td></tr><tr><td>Q3/16/17</td><td>1,922</td></tr><tr><td>Q4/16/17</td><td>2,422</td></tr><tr><td>Q1/17/18</td><td>675</td></tr><tr><td>Q2/17/18</td><td>1,344</td></tr><tr><td>Q3/17/18</td><td></td></tr><tr><td>Q4/17/18</td><td></td></tr></tbody></table>					Quarter	Incidents	Q1/15/16	548	Q2/15/16	1,168	Q3/15/16	1,760	Q4/15/16	2,341	Q1/16/17	631	Q2/16/17	1,298	Q3/16/17	1,922	Q4/16/17	2,422	Q1/17/18	675	Q2/17/18	1,344	Q3/17/18		Q4/17/18	
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## Half Yearly Review of Performance 2017-18

Indicator	16/17 Actual	17/18 Target	Q2 16/17	Cumulative For the Year 16/17	Q1 17/18	Q2 17/18	Cumulative For the Year 17/18	On track to achieve annual target
<p><u><a href="#">Comment on current performance</a></u></p> <p>The community safety partnership continues to implement activities identified within the agreed action plan for 2017 / 18. The partnership has delivered education and interventions for a wide range of areas for this current year which has included the following work:</p> <ul style="list-style-type: none"> <li>• Officers continue to work alongside Essex Police and North LPA partners to develop an action plan to tackle gangs and organised crime.</li> <li>• Officers attend the MACE 1 and MACE 2 meetings to ensure that the needs of vulnerable children for the district are addressed and that processes are in place to tackle the criminal and sexual exploitation of young people. A Southend-on-Sea, Essex and Thurrock (SET) Child Sexual Exploitation (CSE) Toolbox has now been approved and a schools resource pack has now been developed and is available to primary and secondary schools. Members should note that both secondary schools in the district received a professional drama based on exploitation entitled Chelsea's Choice on 18 October 2017. This project has been funded by the Youth Strategy Group and delivered through the ECC Youth Service.</li> <li>• Officers continue to carry out educational events. This included the delivery of Stay Safe this Summer to 300 year 7 students in July focussing on drug awareness (including psychoactive substances). Get Ready for Summer was held at Promenade Park in July and included a wide range of partners including Essex Police, Essex County Fire and Rescue Services (EFRS), Neighbourhood Watch (NHW), Essex Watch, Provide, Anglian Water, Victim Support, Red Cross, Safer Roads Partnership, Moat Housing, Environment Agency, HM Coastguard, Land Rover Rescue and Maldon District Council. Crucial Crew was delivered to over 600 year 6 students in September and included workshops on fire safety, road safety, anti-bullying, internet safety, park safety, first aid and alcohol awareness.</li> <li>• Officers continue to engage with the public to ensure that we are aware of perceptions of crime in certain areas and have used events such as Get Ready for Summer, Blackwater Country Show and Burnham Carnival. This will complement the on-line surveys which we complete each year.</li> <li>• Members should note that the Automatic Numberplate Recognition (ANPR) system for the Dengie Peninsular is now live and operational at both locations. Essex Police will be asked for some sanitised performance statistics to indicate the effectiveness of this system.</li> <li>• Members should note that at the RAG meeting in October that funding was agreed from partnership funds to support a number initiatives.</li> </ul> <p>In addition to the above, the following are being taken forward in the coming months:</p> <ul style="list-style-type: none"> <li>• Public engagement event in Maldon scheduled for 15th November to include parish councils, faith groups and schools.</li> <li>• Use of technology to collate information and data being extended e.g. Trucam and ANPR</li> <li>• CCTV in Maldon and Burnham Town Centres being upgraded</li> <li>• Responsible Authorities Group piloting "live" monitoring of CCTV</li> <li>• Feasibility of introducing Maldon "street pastors"</li> <li>• Partnership working with police on property marking initiative to reduce rural crime.</li> </ul>								



## Half Yearly Review of Performance 2017-18

## Corporate Goal - Protecting and shaping the District

Key Corporate Activities contributing to this goal – 10			
At Risk	Behind Schedule	On Track	Completed
2	3	4	1

Key Corporate Activities (KCAs)	Target Date	Status	Comments
Work with partners to seek funding/bring forward flood relief projects for identified surface and coastal flooding risk areas in the District	March 2018	<b>At risk</b> North Heybridge Flood Alleviation Scheme (FAS)	<b>North Heybridge FAS</b> - We are currently working in partnership with the Environment Agency (EA), Essex County Council, the developer and others on the business case to be submitted with the application for Flood Defence Grant in Aid for this Scheme. Early indications show the cost / benefit ratio as less than one which is the cap for any funding coming forward from the EA. We are currently in the process of undertaking a review of the business case to ensure Capita have maximised the benefits within the report. This work is estimated to be completed by 30 November 2017. The status of this is considered to be "at risk" due to the poor cost benefit ratio as detailed above.
		<b>Behind schedule</b> CDA 2 Scheme Brickhouse Farm	In the event that funding is not available, the Council will continue to work with partners on an alternative delivery approach for the scheme.  <b>Critical Drainage Area (CDA) 2 Scheme</b> – This scheme (Brickhouse Farm) has been deferred to 18/19 Capital works. In the meantime further hydrology investigatory works are being completed to establish whether the scheme can be sited in an alternative position. This work will be reported to Members once complete. As a result this is considered to be "behind schedule" albeit this is outside of our control.

## Half Yearly Review of Performance 2017-18

Key Corporate Activities (KCAs)	Target Date	Status	Comments
Adopt the Maldon District Design Guide	September 2017	Behind schedule	<p>The Maldon District Design Guide was approved by the Planning and Licensing Committee in March 2017 for public consultation which ended in June with 20 responses received.</p> <p>In September the Committee approved amendments to the Design Guide and it was submitted to Council in November to be adopted as a Supplementary Planning Document.</p>
Co-ordinate work with housing associations and developers to provide affordable housing and meet the identified requirements for older persons' independent living within the District	Ongoing	At risk	<p>There is interest from a number of possible developers and landowners in the Burnham-on-Crouch area, some possible options around the Maldon town area, but fewer considering promoting sites for this use compared with Burnham-on-Crouch.</p> <p>Officers and Members have been working closely to understand and agree the parameters for what constitutes independent living and the criteria for evaluating potential sites so that applications can be considered specifically for this purpose and if need be potential sites can be brought forward for consideration where there is an identified need, but less interest. This will help speed up the process of evaluating and enabling sites for this purpose.</p>
Work with partners to deliver the new Maldon Health Hub	Ongoing	Behind schedule	<p>The Health Hub Programme Board continues to meet to progress the Health Hub project.</p> <p>The Clinical Commissioning Group (CCG) are continuing to assess what health services should be available at the Hub. This has been delayed whilst the CCG is reviewing their proposal to deliver their Homefirst Strategy, a new way of supporting patients to be discharged from hospital earlier, so they can receive the care they need closer to home. The CCG is planning a full public consultation on Home First this autumn.</p> <p>Should Homefirst be implemented and prove successful it may</p>

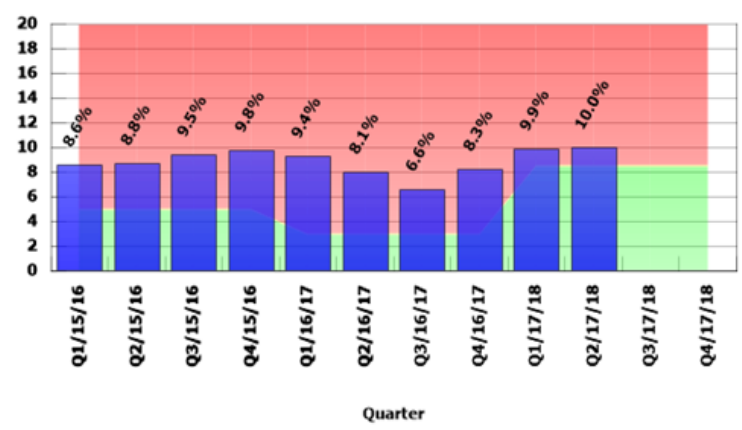
## Half Yearly Review of Performance 2017-18

Key Corporate Activities (KCAs)	Target Date	Status	Comments
			<p>change the need for the “community beds” in their current form, including at St Peter’s. For this reason, the final funding application and consultation for the Maldon Health Hub cannot go ahead until after public views have been heard, the model introduced and potential impact on current care understood.</p> <p>The Project Manager has been asked to confirm clear project milestones so that the project plan can be updated to reflect the impact of this delay.</p> <p>In the meantime, two plans for where services will go within the Health Hub are being developed in parallel – one model including a traditional “community bed” ward, and another where the Hub might not need to make provision for beds in the current sense.</p> <p>Further work is also required to confirm the impact of Pharmacy relocation into the new facility, and an update will be provided to the next project board meeting.</p>

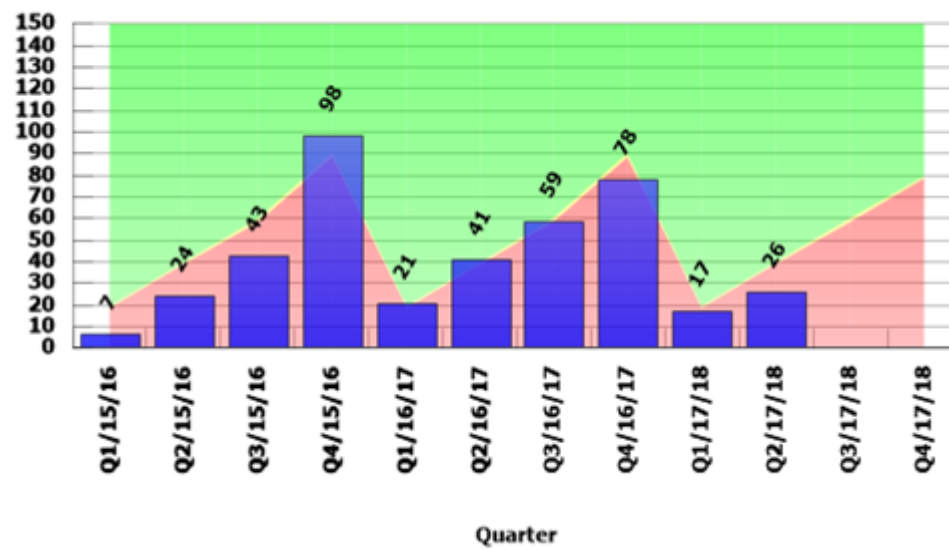
## Half Yearly Review of Performance 2017-18

## Indicators

For comparison purposes, where available, the figures for the previous year, for the same period in the previous year and the previous quarter are provided.

Indicator	16/17 Actual	17/18 Target	Q2 16/17	Cumulative For the Year 16/17	Q1 17/18	Q2 17/18	Cumulative For the Year 17/18	On track to achieve annual target																										
Quality of decision: % of total number of decisions on applications made during the assessment period overturned at appeal	8.33% Majors only (for the 2 year minus 9 months period as per DCLG assessment re quality of decisions)	8.5% (for both major and non-major applications)	9.4% Majors only (for the 2 year minus 9 months period as per DCLG assessment re quality of decisions)	8.1% Majors only (for the 2 year minus 9 months period as per DCLG assessment re quality of decisions)	9.92% (major applications)  4.03% (non major applications)  for the 2 year minus 9 months period	10 % (major applications)  3.92% (non major applications)  for the 2 year minus 9 months period	N/A	No (major applications)																										
<a href="#">Low performance is good</a>																																		
<a href="#">Comment on current performance</a>				% of total number of decisions on major applications made during the assessment period overturned at appeal																														
This is continually monitored using a rolling period of two years minus nine months, to indicate performance leading up to the annual assessment (of whether an authority is designated as underperforming) undertaken by the Department for Communities and Local Government (DCLG) in January.																																		
The threshold for appeal decisions allowed will reduce to 10% for the 2018 assessment and will be applied to applications for both major and non-major applications. While current performance is at this threshold for major applications, four of the applications allowed at appeal that are presently part of the assessment period will no longer be part of the consideration when the next assessment is undertaken and will no longer affect the Council's performance statistics, therefore bringing us within the threshold.																																		
				 <table><caption>Data for % of total number of decisions on major applications made during the assessment period overturned at appeal</caption><thead><tr><th>Quarter</th><th>Percentage</th></tr></thead><tbody><tr><td>Q1/15/16</td><td>8.6%</td></tr><tr><td>Q2/15/16</td><td>8.8%</td></tr><tr><td>Q3/15/16</td><td>9.5%</td></tr><tr><td>Q4/15/16</td><td>9.8%</td></tr><tr><td>Q1/16/17</td><td>9.4%</td></tr><tr><td>Q2/16/17</td><td>8.1%</td></tr><tr><td>Q3/16/17</td><td>6.6%</td></tr><tr><td>Q4/16/17</td><td>8.3%</td></tr><tr><td>Q1/17/18</td><td>9.9%</td></tr><tr><td>Q2/17/18</td><td>10.0%</td></tr><tr><td>Q3/17/18</td><td></td></tr><tr><td>Q4/17/18</td><td></td></tr></tbody></table>					Quarter	Percentage	Q1/15/16	8.6%	Q2/15/16	8.8%	Q3/15/16	9.5%	Q4/15/16	9.8%	Q1/16/17	9.4%	Q2/16/17	8.1%	Q3/16/17	6.6%	Q4/16/17	8.3%	Q1/17/18	9.9%	Q2/17/18	10.0%	Q3/17/18		Q4/17/18	
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## Half Yearly Review of Performance 2017-18

Indicator	16/17 Actual	17/18 Target	Q2 16/17	Cumulative For the Year 16/17	Q1 16/17	Q2 17/18	Cumulative For the Year 17/18	On track to achieve annual target																										
Total number of long term (i.e. longer than 6 months) empty homes in the District	219 as at 31/03/17 (of which 39 have been empty in excess of 5 years)	N/A	211 as at 30/09/16 (of which 37 have been empty in excess of 5 years)	N/A	221 as at 30/06/17 (of which 35 have been empty in excess of 5 years)	214 as at 30/09/17 (of which 37 have been empty in excess of 5 years)	N/A	N/A																										
Number of long empty homes returned to use	78	80	20	41	17	9	26	At risk																										
High performance is good																																		
<u>Comment on current performance</u> Since first tackling empty homes the need for housing has increased and the number of transactions (sales and lettings) has risen most years since 2008. This suggests that performance has now plateaued as the market may be encouraging empty home owners to bring their homes back into use. What may now remain is a higher proportion of properties that have been empty for periods far longer than was the average a few years ago. Some of these will require much more investment to bring them back into use and may even be unviable to refurbish in the worst cases.  This issue was considered by the Strategic Housing Board (SHB) in October when it was agreed that officers will look into options for more rigorous forms of intervention including enforcement action. The outcome of this is to be reported back to the SHB in December and updates provided to the various Committees.				 <table><caption>Data for Empty Homes Returned to Use</caption><thead><tr><th>Quarter</th><th>Number of homes returned to use</th></tr></thead><tbody><tr><td>Q1/15/16</td><td>7</td></tr><tr><td>Q2/15/16</td><td>24</td></tr><tr><td>Q3/15/16</td><td>43</td></tr><tr><td>Q4/15/16</td><td>98</td></tr><tr><td>Q1/16/17</td><td>21</td></tr><tr><td>Q2/16/17</td><td>41</td></tr><tr><td>Q3/16/17</td><td>59</td></tr><tr><td>Q4/16/17</td><td>78</td></tr><tr><td>Q1/17/18</td><td>17</td></tr><tr><td>Q2/17/18</td><td>26</td></tr><tr><td>Q3/17/18</td><td>0</td></tr><tr><td>Q4/17/18</td><td>0</td></tr></tbody></table> <p>Quarter</p>					Quarter	Number of homes returned to use	Q1/15/16	7	Q2/15/16	24	Q3/15/16	43	Q4/15/16	98	Q1/16/17	21	Q2/16/17	41	Q3/16/17	59	Q4/16/17	78	Q1/17/18	17	Q2/17/18	26	Q3/17/18	0	Q4/17/18	0
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## Half Yearly Review of Performance 2017-18

## Corporate Goal - CREATING OPPORTUNITIES FOR ECONOMIC GROWTH AND PROSPERITY

Key Corporate Activities contributing to this goal - 12				
Not started	At Risk	Behind Schedule	On Track	Completed
1			11	

Key Corporate Activities (KCAs)	Target Date	Status	Comments
Agree a vision for, and develop, a Planning Performance Agreement to maximise benefits from the development of a new nuclear power station at Bradwell	Vision - June 2017 Agreement – March 2018	Not started	<p>The Council has recently been informed by EDF and CGN that the Department of Business, Energy &amp; Industrial Strategy (BEIS) has confirmed that the nuclear regulators have been asked to begin the Generic Design Assessment (GDA) for the UK HPR1000 nuclear technology. This marks a first step in the process to seek permission to build a nuclear power station at Bradwell in Essex.</p> <p>The GDA process will take a number of years to complete. There are a number of different consents and permissions to be achieved before a nuclear power station can be constructed. As well as successful completion of the GDA process, other requirements include development consent, site licensing and environmental permits.</p> <p>The Council is working with Essex County Council to prepare a work plan of key areas for review linked to the draft Planning Performance Agreement (PPA) Vision. This will be reported to the Joint Member Bradwell Board in due course.</p> <p>Joint working with Suffolk Authorities continues.</p> <p>Planning Performance Agreement (PPA) likely spring 2018 onwards.</p>

## Half Yearly Review of Performance 2017-18

## Corporate Goal - Delivering good quality, cost effective and valued services

Key Corporate Activities contributing to this goal - 10				
Not Started	At Risk	Behind Schedule	On Track	Completed
1	1	4	4	

Key Corporate Activities (KCAs)	Target Date	Status	Comments
<b>➔ Implement Workforce Development Plan projects for 17/18:</b> a) Monitor / review use of the Performance Review System and transfer it onto Human Resources Information System (HRIS) b) Develop a recruitment strategy c) Introduce a Total Reward Policy d) Conduct a Council-wide skills audit	March 2018	Performance Review At risk	While we continue to review the features of the HRIS no further action will be taken to implement self-service. Without this feature, the transfer of the performance review system to the HRIS will not proceed.
		Skills Audit Not started	<p>The new performance review system relies on an accurate record for each member of staff to be logged. It was intended to utilise the HRIS for this purpose, although there would be an associated cost to configure onto the system. In the interim, PDF and Word forms have been created which have proved to be an effective solution at no additional cost. It is the intention to continue the current method as this more than meets the requirement of the new process and not incur any additional costs.</p> <p>Undertaking a Council wide skills audit has not started yet, but will be carried out for completion by the end of March 2018 with the analysis and actions to be undertaken in 2018 / 19.</p>
<b>➔ Implement the ICT Strategy projects for 17/18:</b> a) Implement a new telephony system b) Upgrade the e-mail system	March 2018 August 2017	Telephony Behind schedule	<b>Telephony</b> - The IT Team Leader has drafted the telephony system scope for review by Director of Resources. The IT Manager will be getting a copy of the specification used at Colchester Borough Council (BC) for comparison and to update the draft MDC specification. Once this has been agreed by all stakeholders, procurement will be involved to progress the publication of project initiation documentation and to get demos
		E-mail Behind schedule	

## Half Yearly Review of Performance 2017-18

Key Corporate Activities (KCAs)	Target Date	Status	Comments
			<p>of possible new solutions.</p> <p><b>E-mail</b> -A review of the current Active Directory and Exchange 2007 environment has been completed and a Project Initiation Document has been drafted. A high level migration proposal will be completed by the end of October.</p>
Agree the vision for the Council's Transformation Strategy and a programme of transformation projects for implementation	March 2018	Behind schedule	<p>A report will be submitted to Council in December.</p> <p>For 2018/19 the proposed KCA is "Deliver the Transformation Programme in accordance with the Commercial Strategy".</p>
Develop and implement an income generation programme	Ongoing	Behind schedule	<p>The income generation programme includes the following:</p> <ul style="list-style-type: none"> <li>• Treasury Management - implemented August 2017</li> <li>• Housing options – decision December 2017</li> <li>• Commercial property investment – registration July 2017</li> <li>• Crematorium - ongoing project to report back in January 2018.</li> </ul> <p>The key project within this programme is the Crematorium, which is considered to be behind schedule hence the overall status being assessed as such.</p>



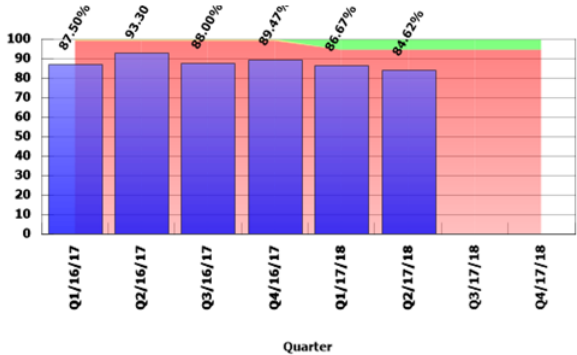
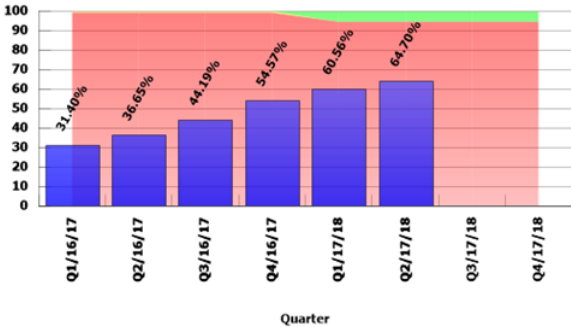
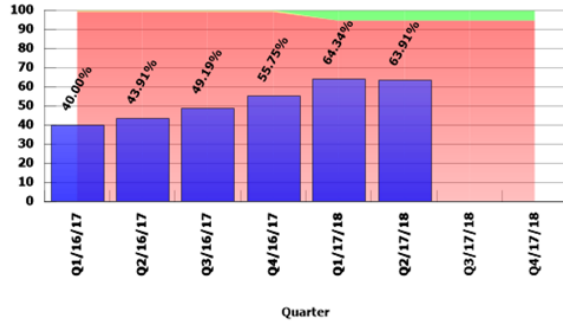
## Half Yearly Review of Performance 2017-18

## Indicators

For comparison purposes, where available, the figures for the previous year, for the same period in the previous year and the previous quarter are provided.

Indicator	16/17 Actual	17/18 Target	Q2 16/17	Cumulative For the Year 16/17	Q1 17/18	Q2 17/18	Cumulative For the Year 17/18	On track to achieve annual target
% of major planning applications acknowledged within 10 working days  <a href="#">High performance is good</a>	89.47%	95%	100%	93.3%	86.67%	81.82%	84.62%	No
% of minor planning applications acknowledged within 5 working days  <a href="#">High performance is good</a>	54.57%	95%	43.42%	36.65%	60.56%	67.68%	64.7%	No
% of other planning applications acknowledged within 5 working days  <a href="#">High performance is good</a>	55.75%	95%	50.4%	43.91%	64.34%	63.41%	63.91%	No
<a href="#">Comment on current performance</a> Work was undertaken by an external consultant to review a number of aspects of the Planning Service, which included looking at improving this area of performance.								

## Half Yearly Review of Performance 2017-18

% of major planning applications acknowledged within 10 working days			% of minor planning applications acknowledged within 5 working days			% of major planning applications acknowledged within 10 working days		
								
Indicator	16/17 Actual	17/18 Target	Q2 16/17	Cumulative For the Year 16/17	Q1 17/18	Q2 17/18	Cumulative For the Year 17/18	On track to achieve annual target
<p>➔ Average number of days lost per (Full Time Equivalent) FTE due to sickness</p> <p>Low performance is good</p>	<p>12.4 days</p> <ul style="list-style-type: none"> <li>5.32 days short term absence</li> <li>7.08 days long term absence</li> </ul>	8 days	<p>3.1 days</p> <ul style="list-style-type: none"> <li>1.21 days short term absence</li> <li>1.89 days long term absence</li> </ul>	<p>5.87 days</p> <ul style="list-style-type: none"> <li>2.46 days short term absence</li> <li>3.41 days long term absence</li> </ul>	<p>2.89 days</p> <ul style="list-style-type: none"> <li>0.85 days short term absence</li> <li>2.04 days long term absence</li> </ul>	<p>2.33 days</p> <ul style="list-style-type: none"> <li>1.25 days short term absence</li> <li>1.08 days long term absence</li> </ul>	<p>5.22 days</p> <ul style="list-style-type: none"> <li>2.1 days short term absence</li> <li>3.12 days long term absence</li> </ul>	No

# APPENDIX 1

## Half Yearly Review of Performance 2017-18

Indicator	16/17 Actual	17/18 Target	Q2 16/17	Cumulative For the Year 16/17	Q1 17/18	Q2 17/18	Cumulative For the Year 17/18	On track to achieve annual target																																							
<a href="#">Comment on current performance</a> See below				<table><caption>Quarterly Performance Data (Estimated from Chart)</caption><thead><tr><th>Quarter</th><th>16/17 Actual</th><th>17/18 Target</th></tr></thead><tbody><tr><td>Q1/15/16</td><td>3.59</td><td>3.59</td></tr><tr><td>Q2/15/16</td><td>6.60</td><td>6.60</td></tr><tr><td>Q3/15/16</td><td>9.52</td><td>9.52</td></tr><tr><td>Q4/15/16</td><td>12.42</td><td>12.42</td></tr><tr><td>Q1/16/17</td><td>2.77</td><td>2.77</td></tr><tr><td>Q2/16/17</td><td>5.87</td><td>5.87</td></tr><tr><td>Q3/16/17</td><td>9.17</td><td>9.17</td></tr><tr><td>Q4/16/17</td><td>12.40</td><td>12.40</td></tr><tr><td>Q1/17/18</td><td>2.89</td><td>2.89</td></tr><tr><td>Q2/17/18</td><td>5.22</td><td>5.22</td></tr><tr><td>Q3/17/18</td><td>-</td><td>-</td></tr><tr><td>Q4/17/18</td><td>-</td><td>-</td></tr></tbody></table>					Quarter	16/17 Actual	17/18 Target	Q1/15/16	3.59	3.59	Q2/15/16	6.60	6.60	Q3/15/16	9.52	9.52	Q4/15/16	12.42	12.42	Q1/16/17	2.77	2.77	Q2/16/17	5.87	5.87	Q3/16/17	9.17	9.17	Q4/16/17	12.40	12.40	Q1/17/18	2.89	2.89	Q2/17/18	5.22	5.22	Q3/17/18	-	-	Q4/17/18	-	-
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Q1/16/17	2.77	2.77																																													
Q2/16/17	5.87	5.87																																													
Q3/16/17	9.17	9.17																																													
Q4/16/17	12.40	12.40																																													
Q1/17/18	2.89	2.89																																													
Q2/17/18	5.22	5.22																																													
Q3/17/18	-	-																																													
Q4/17/18	-	-																																													

## Half Yearly Review of Performance 2017-18

[Comment on current performance](#)

A target of 8 days was set for 2017/18 based on the results of the 2016 Chartered Institute of Personnel and Development (CIPD) Absence Management Survey which showed that the average figure for the public sector was 8.5 days per employee. However, it was acknowledged that this was a very stretching target.

The Q2 overall sickness figure fell to 428.96 total FTE days lost or 2.33 days total days lost per FTE which is the lowest quarterly overall figure since Q1 2014 / 15 and demonstrates that the HR interventions, management training and new policy put in place to reduce levels are having a positive impact.

Human Resources and management continue to work in partnership to manage long term absences cases and implement effective interventions under the Attendance Management Policy. Free of charge flu vaccinations have again been offered to all staff and Members. This is hoped to have an impact on short term absence figures, particularly in the forthcoming winter months.

Managers receive monthly reports showing sickness absence trigger information via a 'Bradford Score' report generated by the new HR system. This shows the manager where action must be taken to instigate the formal absence management process with staff. Other interventions that have been introduced include the mandatory completion of return to work interviews and the provision of a new and highly responsive occupational health provision. Line managers are also required to report monthly to HR on actions taken to manage attendance.

A follow up training and workshop session on Attendance Management was delivered to all managers in August and September. They were made aware of the target and the importance of taking responsibility to manage attendance levels and to undertake the appropriate actions under the policy. It is hoped that the new policy and processes will facilitate a reduction in average sickness absence levels closer to the eight days MDC target figure for the 2017 / 18 financial year.



## **REPORT of DIRECTOR OF CUSTOMERS AND COMMUNITY**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
28 NOVEMBER 2017**

### **DISCRETIONARY RATE RELIEF SCHEME AND APPROVAL OF ANNUAL RURAL SETTLEMENT LIST**

#### **1. PURPOSE OF THE REPORT**

- 1.1 For Members to approve the proposed Discretionary Non Domestic Rate Relief Scheme at **APPENDIX 1**, which updates and replaces our existing policy to enable:
  - a) Distribution of the £115,000 of additional funding made available by the Government to support small to medium businesses most affected by the increase in business rates following the 2017 Business Rate Revaluation.
  - b) Approval of the annual Rural Settlement List, to enable granting of relief to qualifying businesses within the District
- 1.2 The criteria for the additional new relief is at pages 45-49 of **APPENDIX 1**, and the rural rate list and qualifying criteria is at pages 28-30 of **APPENDIX 1**.

#### **2. RECOMMENDATION**

To the Council:

That the proposed Discretionary Non Domestic Rate Relief Scheme at **APPENDIX 1** be approved.

#### **3. SUMMARY OF KEY ISSUES**

- 3.1 As part of the 2017 Budget announcements the Chancellor announced from 1 April 2017 a package of help for businesses affected by significant increases in business rates as a result of the 2017 Revaluation. Details of these three schemes are at **APPENDIX 2**.
- 3.2 We have implemented the first two schemes; for the additional transitional relief, and for the Pub Relief, and revised bills have been sent out to the affected ratepayers.
- 3.3 In respect of the third scheme, a local Additional Discretionary Rate Relief scheme, a policy has been developed in conjunction with other Essex authorities to ensure consistency, which gives priority for the funding to small to medium businesses which have seen the biggest rises in business rates from 2017.

3.4 The key criteria are as follows:

- Priority will be given to businesses with a new rateable value of between £12,000 and £50,000;
- Priority will be given where rates that are payable increase by more than 20% in 2017 / 18 (due to revaluation) after any reliefs have been granted;
- The ratepayer must:
  - have had an occupied rates liability during the period 1st April 2016 to 31st March 2017;
  - have been trading from the premises;
  - not have qualified for Mandatory Charity Relief or Supporting Small Business Relief scheme;
  - not have received State Aid in a three-year period, including the current year, in excess of 200,000 euros;
  - not have more than two occupied rateable properties in the U.K.
- Relief will be recalculated if there is a rateable value reduction or if another relief is applied that affects liability, or there is any other change in liability;
- Relief will not apply where properties are entered into the list retrospectively.

3.5 Any business can apply, if they meet the criteria in the policy. However, priority for the allocation of the £115,000 funding will be given to support small to medium retail businesses.

3.6 It is proposed that an award of up to £1000 can be made to a business, meaning that we should be able to assist more than 100 businesses in the District.

3.7 The funding available over the 4 year scheme will reduce on a sliding scale, and the proposed annual award of up to £1000 will reduce in the same ratio.

3.8 Major Preceptors will be consulted with ahead of implementation of any scheme.

3.9 The updated policy incorporates the Rural Settlement List which has previously been approved by Members as a separate report.

#### **4. CONCLUSION**

4.1 The proposed Discretionary Non Domestic Rate Relief at **APPENDIX 1** will enable:

- a) additional financial support of up to £1000 to be directed to small to medium businesses suffering the biggest rise in rates as a result of the 2017 revaluation;
- b) the award of the relief to qualifying rural businesses.

#### **5. IMPACT ON CORPORATE GOALS**

5.1 The updated Discretionary Non Domestic Rate Relief policy will enable the granting of additional Discretionary Rate Relief and Rural Rate Relief which will support the

Corporate Goal of “Delivering good quality, cost effective and valued services”, whilst supporting “Creating opportunities for economic growth and prosperity”

## 6. IMPLICATIONS

- (i) **Impact on Customers** – Eligible ratepayers will receive a reduction of up to £1000 on its rates bill under the Additional Rate Relief Scheme, and up to 100% rural rate relief.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – The scheme should provide financial support to small to medium businesses facing big rises in the rates payable, and to qualifying rural businesses.
- (iv) **Impact on resources (financial)** – The scheme provides a framework for awarding the £115,000 funding that has been made available by the Government to support businesses facing the biggest rises in business rates as a result of the 2017 Revaluation, and to award Rural Rate Relief to qualifying businesses.
- (v) **Impact on Resources (human)** – None – the schemes will be delivered within existing resources.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Sue Green, Group Manager: Customers, (Tel: 01621 875892).

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## Document Control Sheet

<b>Document title</b>	Maldon District Council Policy for the granting of Discretionary Non-Domestic Rate Relief
<b>Summary of purpose</b>	To determine the level of discretionary relief and related areas to be granted to certain defined ratepayers within the Council's area.
<b>Prepared by</b>	Group Manager – Customers
<b>Status</b>	Draft (awaiting approval)
<b>Version number</b>	1
<b>Approved by</b>	
<b>Approval date</b>	
<b>Date of implementation</b>	
<b>Review frequency</b>	
<b>Next review date</b>	
<b>Circulation</b>	
<b>Published on the Council's website</b>	

### 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

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# **Maldon District Council Policy for the granting of Discretionary Non-Domestic Rate Relief**

**Version Control**

<i>Version</i>	<i>Version date</i>	<i>Revised by</i>	<i>Description</i>
1	June 2017	LM	Policy
2	June 2017	DA	Revisions
3	July 2017	LM	Revisions
4	July 2017	DA	Sign Off
5	October 2017	LM	Revisions MLM



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## **1.0 Purpose of the Policy**

- 1.1 The purpose of this policy is to determine the level of discretionary relief and related areas to be granted to certain defined ratepayers within the Council's area.
- 1.2 The Local Government Finance Act 1988 and subsequent legislation requires the Council to grant mandatory relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise, certain premises situated within a rural settlement area will be eligible for mandatory relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the Council feels the granting of such relief would be of benefit to the local community.
- 1.3 In addition to the above, Central Government is keen that in certain cases, assistance should be provided to businesses who have had increases in their rate liability due to the revaluation of premises in April 2017. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.
- 1.4 Whilst the Council is obliged to grant relief to premises, which fall within the mandatory category, the Council also has powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met. In the case of the new reliefs, some guidance has been issued by Central Government outlining actions expected to be taken by local authorities. This policy includes Government guidance where appropriate but also looks to target discretionary relief in line with the Council's priorities.
- 1.5 This document outlines the following areas:
- Details of the criteria for receiving Discretionary Reliefs for all relevant areas;
  - The Council's policy for the granting of all types of Discretionary Reliefs;
  - Guidance on granting and administering the reliefs and awards;
  - European Union requirements including provisions for State Aid; and
  - The Council's Scheme of Delegation.
- 1.6 Where organisations apply for relief they will be granted (or not granted) relief or reductions in line with the following policy.



## 2.0 Mandatory Relief - Legislative Background

### Charity Relief

- 2.1 The powers relating to the granting of mandatory<sup>1</sup> and discretionary relief are given to the Council under the Local Government Finance Act 1988<sup>2</sup>. Charities and Trustees for Charities are only liable to pay one fifth of the Non-Domestic Rates that would otherwise be payable where property is occupied and used wholly or mainly for charitable purposes. This amounts to mandatory relief of 80%. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. The provision has been extended under the Local Government Act 2003 (effective from 1<sup>st</sup> April 2004) to registered Community Amateur Sports Clubs (CASCs). Full details of the mandatory provisions are given later within this policy.
- 2.2 In the case of charity shops, the premises must meet the criteria laid down by section 64 (10) of the Local Government Finance Act 1988 which states that the premises are to be treated as used for charitable purposes at any time it is wholly or mainly used for the sale of goods donated to the charity and the proceeds of goods (after any deductions for expenses) are applied for the purpose of the charity.
- 2.3 The Council has discretion to grant relief of up to a further 20% for these mandatory cases under its discretionary provisions.

### Rural Rate Relief

- 2.4 From 1<sup>st</sup> April 1998, under powers originally granted to the Council by the Local Government and Rating Act 1997<sup>3</sup>, certain types of business in rural settlements, with a population below 3000 may qualify for mandatory rate relief of 50 per cent. Businesses that qualify for this relief are the sole general store and the sole post office in the settlement, provided it has a Rateable Value of up to £8500; any food shop with a Rateable Value of up to £8500; and the sole pub and the sole petrol station in the settlement provided it has a Rateable Value of up to £12500.
- 2.5 From 1<sup>st</sup> April 2017, Central Government has indicated that it wants all authorities to give 100% relief to premises that receive mandatory rural rate relief. The legislation enabling this will not be forthcoming until 2018 and therefore it has indicated that where the additional 50% is granted, a section 31 grant will be made available to the Council. This is dealt with further within this policy and the Council will automatically grant the additional 50% discretionary relief where appropriate
- 2.6 Where businesses in rural settlements have a Rateable Value of up to £16,500 **and** are not in receipt of mandatory relief, the Council may decide to give up to 100 per cent discretionary relief if it is satisfied

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<sup>1</sup> S43 & S45 Local Government Finance Act 1988

<sup>2</sup> S47 & S48 Local Government Finance Act 1988

<sup>3</sup> LGFA 1988, s.47, as amended by Sch. 1 to the Local Government and Rating Act 1997





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that the business is of benefit to the community and having regard to the interests of its Council Taxpayers.



## 3.0 Discretionary Relief – Legislative Background

### Introduction

- 3.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to 'top' up cases where ratepayers already receive mandatory relief.
- 3.2 Over recent years and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide more assistance to businesses and organisations.
- 3.3 The range of bodies, which are eligible for discretionary rate relief, is wide and not all of the criteria laid down by the legislation will be applicable in each case.
- 3.4 Unlike mandatory relief, ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information and evidence as required in order to determine whether relief should be awarded.
- 3.5 The Council is obliged to consider carefully every application on its merits, taking into account the contribution that the organisation makes to the amenities within the authority's area. There is no statutory appeal process or Tribunal against any decision made by the Council although, as with any decision of a public authority, decisions can be reviewed by Judicial Review. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.
- 3.6 Granting of the relief falls broadly into the following categories:
  - a. Discretionary Relief – Charities who already receive mandatory relief.
  - b. Discretionary Relief – Premises occupied by organisations not established or conducted for profit whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts **or** premises occupied by organisations not established or conducted for profit and wholly or mainly used for purposes recreation;
  - c. Discretionary Relief – Rural Rate relief - premises that already receive mandatory relief;
  - d. Discretionary Relief – Rural Rate relief - premises not receiving mandatory relief but of benefit to the local community and less than £16,500 RV;
  - e. Discretionary Relief – Granted under the Localism Act 2011 provisions;
  - f. Local Newspaper Relief (from 1<sup>st</sup> April 2017 for a period of two years);
  - g. Local Public House Relief (from April 2017 for a one year period);
  - h. Supporting Small Businesses Relief (from 1<sup>st</sup> April 2017 for a period of five years or until business pay their full rate charge or their transitional rate charge (calculated in accordance with the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016)); and
  - i. Discretionary Business Rates Relief Scheme (from 1<sup>st</sup> April 2017 for a period of up to four years)
- 3.7 The decision to grant or not to grant discretionary relief is a matter purely for the Council.



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## **The Council's general approach to granting Discretionary Relief**

- 3.8 In deciding which organisations should receive discretionary rate relief, the Council has considered the following factors and priorities:
- a. The awarding of relief will be in line with the Council's vision and values. Details can be found at
  - b. That any award should support business, charities, organisations and groups that help to retain services in the Council's area and not compete directly with existing businesses in an unfair manner;
  - c. It should help and encourage business, charities, organisations, groups and communities to become self-reliant;
  - d. Awarding discretionary relief should not distort competition or significantly change the provision of services within the Council's area;
  - e. Local organisations will be given priority over national organisations. Where requested, the organisation will need to supply the Council with clear evidence of **all** financial affairs (normally two full years) including, and most importantly, the amounts of monies raised, used and invested locally. This will be essential where the organisation is national in nature;
  - f. To enable appropriate organisations to start, develop or continue their activities, which deliver outcomes to the community and that also relate to the priorities of the Council, which without granting discretionary relief they would be unable to do;
  - g. To assist the Council in delivering services which could not be provided otherwise;
  - h. To enable the Council to determine the level of rate change in comparison with the organisation's financial situation; and
  - i. To ensure that the financial impact of awarding discretionary business rate relief is justified in terms of the local outcomes achieved by the organisation receiving it;
- 3.9 Where any reduction or remission is granted to a ratepayer under S49 Local Government Finance Act 1988 where hardship is proven to the Council, then there will be no requirement to grant Discretionary Rate Relief for that amount.
- 3.10 In certain cases, the order in which relief is granted is specified. Mandatory relief shall be granted in all cases where the criteria is met irrespective of whether discretionary relief can be granted or not.

## **The Council's approach to granting Government led Discretionary Relief schemes**

- 3.11 Over the past few years, a number of schemes have been led by Central Government but without specific legislative changes. These are administered under S47 of the Local Government Finance Act 1988 and guidance is often provided. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.





## 4.0 Effect on the Council's Finances

- 4.1 The granting of discretionary relief will, in the main, involve a cost to the Council. Since the change to the funding for Non-Domestic Rating in April 2013, the effect of the relief is complex.
- 4.2 Any amounts granted prior to 1<sup>st</sup> April 2013 and continuing since that date will be included in the Council's baseline within the Business Rates Retention Scheme. For any amounts granted for similar cases after 1<sup>st</sup> April 2013, the costs of the relief will be borne in accordance with the Business Rates Retention Scheme share namely 50% borne by Central Government, 40% by the Council and 10% by Essex County Council. This also applies where mandatory relief is granted.
- 4.3 Where Central Government leads an initiative, grants are often available through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas
- 4.4 The financial effects of discretionary reliefs covered by this policy are as follows:

Appendix	Relief Type	Granted after 1 <sup>st</sup> April 2013
	<b>Charity Relief</b>	
A	Discretionary relief granted to Mandatory Relief recipients	40% borne by the Council
B	Non-profit Making Organisations including Sports Clubs and societies	40% borne by the Council
	<b>Rural Rate Relief</b>	
C	50% Discretionary relief granted to Mandatory Rural Relief recipients	Section 31 Grant
D	Other premises within a rural settlement under £16500 RV	40% borne by the Council
	<b>Localism</b>	
E	Discretionary Relief granted to ratepayers generally and not covered by any other section	40% borne by the Council
	<b>Local Newspaper Relief</b>	
F	Discretionary Relief granted to local newspapers meeting the criteria (From 1 <sup>st</sup> April 2017 for a period of two years)	Section 31 Grant
	<b>Public House Relief</b>	
G	Discretionary Relief granted to public houses meeting the criteria (From 1 <sup>st</sup> April 2017 for a period of one year)	Section 31 Grant
	<b>Supporting Small Business Relief</b>	
H	Supporting Small Businesses Relief (from 1 <sup>st</sup> April 2017 for a period of up to five years if conditions are met)	Section 31 Grant



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Appendix	Relief Type	Granted after 1 <sup>st</sup> April 2013
	<b>Discretionary Business Rates Relief Scheme</b>	
I	Discretionary Business Rates Relief Scheme (from 1 <sup>st</sup> April 2017 for a period of up to four years)	Section 31 Grant up to a maximum level set by Central Government. Once the maximum has been reached any additional amount is borne 40% by the Council
	<b>S49 Hardship Relief</b>	
J	Partial or full relief for cases of hardship where it would be reasonable to do so having due regard to the interests of council tax payers	40% borne by the Council



## **5.0 Discretionary Relief – EU State Aid requirements**

- 5.1 European Union competition rules generally prohibit Government subsidies to businesses. Relief from taxes, including non-domestic rates, can constitute state aid. The Council must bear this in mind when granting discretionary rate relief.
- 5.2 Rate relief for charities and non-profit making bodies is not generally considered to be state aid, because the recipients are not in market competition with other businesses. However, where other bodies receive relief and are engaged in commercial activities or if they are displacing an economic operator or if they have a commercial partner, rate relief could constitute state aid.
- 5.3 Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)<sup>4</sup>. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years).
- 5.4 Where the relief to any one business is greater than the De Minimis level, then permission will need to be obtained from the European Commission. In such cases the matter will be referred to the Department for Communities and Local Government (DCLG) for advice and then referred back to the Council for consideration. It will be for the ratepayer to provide confirmation as to whether the State Aid provisions apply to them.
- 5.5 In all cases, where discretionary relief is to be granted or where liability is to be reduced, when making an application, ratepayers will be required to provide the Council with sufficient information to determine whether these provisions are applicable in their case.

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<sup>4</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>



## 6.0 Administration of Discretionary Relief

- 6.1 The following section outlines the procedures followed by officers in granting, amending or cancelling discretionary relief and reduction. This is essentially laid down by legislation<sup>5</sup>

### Applications and Evidence

- 6.2 All reliefs must be applied for. Application forms are produced by the Council both in hard copy and electronic format. The relevant application forms available on line using the following links
- [General Discretionary application form](#)
  - [CASC, charities and not for profit additional questions](#)
- 6.3 Organisations are required to provide a completed application form plus any such evidence, documents, accounts (normally the last two years), financial statements etc. necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit premises and we would expect organisations claiming relief to facilitate this where necessary.
- 6.4 Applications should initially be made to the Revenues and Benefits Services and will be determined in accordance with Section 7 of this policy.
- 6.5 **The Council will provide this service and provide guidance free of charge. Ratepayers are encouraged to approach the Council direct and NOT pay for such services through third parties.**

### Granting of relief

- 6.6 In all cases, the Council will notify the ratepayer of decisions made.
- 6.7 Where an application is successful, then the following will be notified to them in writing:
- The amount of relief granted and the date from which it has been granted;
  - If relief has been granted for a specified period, the date on which it will end. (It should be noted that reliefs are granted for the period specified in the appropriate Appendix and may vary from a day to a full financial year);
  - The new chargeable amount;
  - The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and

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<sup>5</sup> The Non-Domestic Rating (Discretionary Relief) Regulations 1989





- A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to relief.
- 6.8 Where relief is not granted, then the following information is provided, again in writing:
- An explanation of the decision within the context of the Council's statutory duty; and
  - An explanation of the appeal rights (see below).
- 6.9 Discretionary relief is to be granted from the beginning of the financial year in which the decision is made or when liability begins whichever is the later. Since 1997 decisions can be made up to 6 months after the end of the financial year for which the application was made. In such cases, the Council *may* backdate its decision.
- 6.10 A decision to award discretionary relief and how much relief is given is normally only applicable to the financial year for which the application is made. However, the Council reserves the right to grant relief for any other period as appropriate.
- 6.11 A fresh application for discretionary relief will be necessary for each financial year **or** at such time-period as the Council determines.

## **Variation of a decision**

- 6.12 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:
- Where the amount is to be increased due to a change in rate charge or a change in the Council's decision which increases the award – this will apply from a date determined by the Council as appropriate;
  - Where the amount is to increase for any other reason, it will take effect at the expiry of a financial year and so that at least one year's notice is given;
  - Where the amount is to be reduced due to a reduction in the rate charge or liability including any reduction in rateable value, awarding of another relief or exemption this will apply from the date of the decrease in rate charge; and
  - Where the amount is to be reduced for any other reason, it will take effect from a date determined by the Council as appropriate;
- 6.13 A decision may be revoked at any time however; a one year period of notice will be given and the change will take effect at the expiry of a financial year.

## **7.0 Scheme of Delegation**

### **Granting, Varying, Reviewing and Revocation of Relief**

- 7.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003 and the Localism Act 2011. However section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees or Officers.
- 7.2 The Council's scheme of delegation allows for the Customers Officer to award, revise or revoke any discretionary relief applications. However, any application which is considered to be of a significant nature will be subject to consultation with the relevant executive or committee prior to final determination.
- 7.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

### **Reviews**

- 7.4 The policy for granting relief will be reviewed annually or where there is a substantial change to the legislation or funding rules. At such time, a revised policy will be brought before the relevant committee of the Council.

### **Appeals**

- 7.5 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by the Customers Manager(s). Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.
- 7.6 Where the ratepayer wishes to appeal the decision of the Customer Manager (s) the case will be considered by the Section 151 officer or relevant Executive member whose decision on behalf of the Council will be final
- 7.7 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.



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## **8.0 Reporting changes in circumstances**

- 8.1 Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief, to be reported as soon as possible. This will be important where the change would result in the amount of the award being reduced or cancelled e.g. where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.
- 8.2 Where a change of circumstances is reported, the relief will, if appropriate, be revised or cancelled as appropriate. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

## **9.0 Fraud**

- 9.1 Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.



## **Appendix A**

### **Discretionary Relief - Mandatory Relief recipients**

## Discretionary Relief – Mandatory Relief recipients

### General Explanation

- A.1 S43 of the Local Government Finance Act 1988 allows mandatory relief (80%) to be granted on premises if the ratepayer is a charity or trustees for a charity and the premises are wholly or mainly used for charitable purposes. No charge is made in respect of unoccupied premises where it appears that *when next in use* it will be used wholly or mainly for those purposes.
- A.2 The legislation has been amended by the Local Government Act 2003 (effective from 1<sup>st</sup> April 2004) to include registered<sup>6</sup> Community Amateur Sports Clubs (CASC). These organisations can now receive the mandatory (80%) relief.

### Charity registration

- A.3 Charities are defined within the legislation as being an institution<sup>7</sup> or other organisation established for charitable purposes only or by persons administering a trust established for charitable purposes only.
- A.4 The question as to whether an organisation is a charity may be resolved in the majority of cases by reference to the register of charities maintained by the Charity Commissioners under s.4 of the Charities Act 1960. Entry in the register is conclusive evidence. By definition, under the Non-Domestic Rating legislation, there is no actual need for an organisation to be a registered charity to receive the relief and this has been supported by litigation<sup>8</sup>, however in all cases the organisation must fall within the following categories:
- trusts for the relief of poverty;
  - trusts for the advancement of religion;
  - trusts for the advancement of education; and
  - trusts for other purposes beneficial to the community, but not falling under any of the preceding heads.
- A.5 Certain organisations are exempted from registration generally and are not required to make formal application to the Charity Commissioners these are:
- the Church Commissioners and any institution administered by them;
  - any registered society within the meaning of the Friendly Societies Acts of 1896 to 1974;
  - units of the Boy Scouts Association or the Girl Guides Association; and
  - voluntary schools within the meaning of the Education Acts of 1944 to 1980.
- A.6 The Council will consider charitable organisations, registered or not, for mandatory relief.

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<sup>6</sup> Registered with HMRC as a CASC

<sup>7</sup> S67(10) Local Government Finance Act 1988

<sup>8</sup> Income Tax Special Commissioners v Pemsell (1891)



## Use of Premises - wholly or mainly used

- A.7 Irrespective of whether an organisation is registered as a charity or not, the premises **must** be wholly or mainly used for charitable purposes. This is essential if any relief (either mandatory or discretionary) is to be granted. In most cases this can be readily seen by inspection, but on occasions the Council has had to question the actual use to which the premises are to be put. In some cases, it will be necessary for the Council to inspect any premises fully.
- A.8 Guidance from the Department of Communities and Local Government (DCLG) has stated that in the case of 'mainly', at least 51% must be used for charitable purposes whether of that charity or of that and other charities
- A.9 The following part of this section gives details on typical uses where relief may be given plus additional criteria that have to be satisfied. The list is not exhaustive but gives clear guidance on premises for which mandatory relief can be granted *and therefore* premises which may be equally considered for discretionary rate relief.

## Offices, administration and similar premises

- A.10 Premises used for administration of the Charity include:
- Offices;
  - Meeting Rooms; and
  - Conference Rooms.

## Charity shops

- A.11 Charity shops are required to meet additional legislative criteria if they are to receive mandatory relief. Section 64 (10) of the Local Government Finance Act 1988 provides that a property is to be treated as being wholly or mainly used for charitable purposes at any time if, at the time, it is wholly or mainly used for the sale of goods donated to a charity and the proceeds of the sale of the goods (after any deduction of expenses) are applied for the purposes of the charity.
- A.12 In order to ascertain whether an organisation meets these requirements, inspections may be made by an officer of the Council when an application is received

## Granting of Mandatory Relief - the Council's Policy

- A.13 Where the criteria for awarding mandatory relief are met, the rate charges shall be calculated in accordance with the legislation reducing the liability of ratepayers for each day that the criteria are met.



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## **Charity Relief – Mandatory Relief recipients, the Council’s Policy for granting discretionary relief.**

- A.14 The Council will consider applications for a discretionary rate relief top up from charities based on their own merits, on a case-by-case basis.
- A.15 In determining the application, the following matters will be taken in to consideration:
1. How the charity supports and links into the Council’s corporate vision and priorities;
  2. The purpose of the charity and the specific activity carried out within the premises for which the relief is requested; and
  3. Whether the charity operates at a local or national level and where appropriate, the local and national funding streams and financial position of the charity. The Council is keen to ensure that the organisation provides significant benefit to local residents.
- A16 The Council is keen to support businesses that have a critical role to play in the local economy and to assist the Council in meeting the Corporate aims and values.
- A.17 In the case of registered Community Amateur Sports Clubs, the key criteria in determining the application will be:
1. The ratepayer occupies the whole hereditament;
  2. Relief cannot be granted in respect of premises that are occupied by the Council or precepting authority;
  3. How the CASC supports and links into the Council’s corporate vision and priorities;
  4. The membership and fee structure, and whether the CASC is accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
  5. Membership numbers and the number and percentage of these members that are local residents;
  6. If the CASC has due regard to equality issues and if it actively encourages members from under-represented groups, for example black and minority ethnic residents, people over 50 and people with disabilities;
  7. Whether facilities are available to the wider community regardless of ability; and
  8. If the CASC runs a bar or food provision: the level of income from this activity and how this money is used; and whether the CASC operates at a local or national level and where appropriate, the local and national funding streams and financial position of the CASC.
- A.18 The Council wishes to support and enable appropriate businesses to start, develop and continue with their operations that deliver outcomes directly related to the Council’s aims and vision. In the main, this will be done through other means rather than granting discretionary relief. There may be occasions where applications are made for such relief or where a package of measures, including discretionary relief, are appropriate in supporting businesses. This would need to be in accordance with any limitations in respect of state aid.



## **Appendix B**

### **Discretionary Relief - Non-Profit Making Organisations including Recreation**





## Discretionary Relief – Non-Profit Making Organisations including Recreation

### General explanation

#### Non-Profit

- B.1 The legislation<sup>9</sup> allows the Council to grant discretionary relief where the property is not an *excepted* one and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts.
- B.2 Relief cannot be granted to any premises occupied by the Council, or any town, parish council or major Precepting Authority (*excepted premises*).
- B.3 A number of issues arise from the term 'not established or conducted for profit'. This requires the Council to make enquiries as to the overall purpose of the organisation although if surpluses and such amounts are directed towards the furtherance or achievement of the objects of the organisation then it does not necessarily mean that the organisation was established or conducted for profit.<sup>10</sup>

#### Recreation Clubs

- B.4 Ideally all recreation clubs should be encouraged to apply for Community Amateur sports Club (CASC) status, which would automatically entitle them to 80% relief. The relief granted to CASCs is covered earlier within this policy.
- B.5 Recreation clubs can also apply to the Charity Commissioners for registration as a Charity (thereby falling under the mandatory provisions for 80% relief) where they meet the following conditions:
- The promotion of community participation in healthy recreation and by the provision of facilities for the playing of particular sports; and
  - The advancement of the physical education of young people not undergoing formal education.
- B.6 Where sports clubs do not meet the CASC requirement, and are not registered charities, discretionary relief can be granted (0-100%) where the property is not an *excepted* one, it is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

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<sup>9</sup> S47 Local Government Finance Act 1988



## Definition of Recreation

B.7 Recreation is clearly defined by the Sports Council as any of the following<sup>11</sup>

Aikido	Croquet	Kabaddi	Real Tennis	Tang Soo Do
American Football	Crossbow	Karate	Roller Hockey	Tenpin Bowling
Angling	Curling	Kendo	Roller Skating	Trampolining
Archery	Cycling	Korfball	Rounders	Triathlon
Arm Wrestling	Disability Sport	Lacrosse	Rowing	Tug of War
Association Football	Dragon Boat Racing	Lawn Tennis	Rugby League	Unihoc
Athletics	Equestrian	Life Saving	Rugby Union	Volleyball
Australian Rules Football	Fencing	Luge	Sailing	Water Skiing
Badminton	Fives	Modern Pentathlon	Sand/Land Yachting	Weightlifting
Ballooning	Flying	Motor Cycling	Shinty	Wrestling
Baseball	Gaelic Football	Motor Sports	Shooting	Yoga
Basketball	Gliding	Mountaineering	Skateboarding	
Baton Twirling	Golf	Movement, Dance, Exercise & Fitness	Skiing	
Biathlon	Gymnastics	Netball	Skipping	
Bicycle Polo	Handball	Orienteering	Snowboarding	
Billiards and Snooker	Hang/Para Gliding	Parachuting	Softball	
Bobsleigh	Highland Games	Petanque	Sombo Wrestling	
Boccia	Hockey	Polo	Squash	
Bowls	Horse Racing	Pony Trekking	Skater/Street Hockey	
Boxing	Hovering	Pool	Sub-Aqua	
Camogie	Hurling	Quoits	Surf Life Saving	
Canoeing	Ice Hockey	Racketball	Surfing	
Caving	Ice Skating	Rackets	Swimming & Diving	
Chinese Martial Arts	Jet Skiing	Raquetball	Table Tennis	
Cricket	Ju Jitsu	Rambling	Taekwondo	
	Judo			

## Access to clubs

B.8 Guidance issued by the DCLG also requires the Council to consider access to clubs within the community before granting discretionary relief.

B.9 Membership should be open to all sections of the community. There may be legitimate restrictions placed on membership which relate for example to ability in sport or to the achievement of a standard in the field covered by the organisation or where the capacity of the facility is limited, but in general membership should not be exclusive or restrictive.

<sup>11</sup> Definition last reviewed by Sport England in 2002



- B.10 Membership rates should not be set at such a high level as to exclude the general community. However, membership fees may be payable at different rates that distinguish the different classes of membership such as juniors, adults, students, pensioners, players, non-players, employed and unemployed. In general, the club or organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of open access.
- B.11 The Council also asks the following question to help establish the level of access 'Does the organisation actively encourage membership from particular groups in the community e.g. young people, women, older age groups, persons with disability, ethnic minorities' etc.?'

## **Provision of facilities**

- B.12 Clubs which provide training or education are encouraged, as are those who provide schemes for particular groups to develop their skills e.g. young people, the disabled, retired people.
- B.13 A number of organisations run a bar. The mere existence of a bar will not in itself be a reason for not granting relief. However, the Council focuses on the main purpose of the organisation. The Council is encouraged to examine the balance between playing and non-playing members.
- B.14 Within this area, the Council also considers whether the facilities provided relieve the Council of the need to do so, or enhance and supplement those that it does provide.

## **Discretionary Relief - Non-Profit Organisations including Recreation - the Council's Policy**

- B.15 The Council will consider applications for discretionary rate relief from non-profit making organisations on their own merits on a case-by-case basis. In determining the application, the following matters will be taken in to consideration (The list is not exhaustive):
- How the organisation supports and links into the Council's corporate vision and priorities;
  - Whether the facilities provided include education and/or training for members as a whole or for special groups;
  - The extent to which the facilities provided reduce the demand for Council services or produce savings;
  - Any membership and fee structure and whether the facilities are accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
  - If covered by a membership scheme, membership numbers and the number and percentage of these members that are local residents; and
  - If the organisation has due regard to equality issues and if its facilities are used by all members of the community, for example black and minority ethnic residents, people over 50 and people with disabilities.
- B.16 The Council will also require additional financial information including:
- If the organisation runs a bar or food provision, the level of income from this activity and how this



money is used.; and

- Whether the organisation operates at a local or national level and where appropriate, the local and national funding streams and financial position of the organisation.



## **Appendix C**

### **Discretionary Relief - Rural Rate Relief - Mandatory Relief recipients**



## Discretionary Relief - Rural Rate Relief - Mandatory Relief recipients

### What are the qualifying criteria for Mandatory Relief?

- C.1 For a Post Office or General Store to be entitled to 50% Mandatory Relief, all the following criteria must be met:
- The Rateable Value of the property must not exceed £8,500 (from 1 April 2010);
  - The property must be used as a Post Office or a General Store (see below for definition), or both;
  - The property must be the only Post Office or the only General Store within the Rural Settlement.
- C.2 For a Public House or Petrol Filling Station to be entitled to 50% Mandatory Relief, all the following criteria must be met:
- The Rateable Value of the property must not exceed £12,500 from 1 April 2010);
  - The property must be used as a Public House (see below for definition) or a Petrol Filling Station (see below for definition); and
  - The property must be the only Public House or the only Petrol Filling Station within the Rural Settlement.
- C.3 For a village food shop to be entitled to 50% Mandatory Relief, all the following criteria must be met:
- The Rateable Value of the property must not exceed £8,500 from 1 April 2010); and
  - The property must be used as a shop selling mainly food (see below for definition).

### What rural settlements exist within the Maldon District Council's area?

- C.4 The following are deemed to be rural settlements within the District Council's area:

Althorne – North	Althorne _ South	Asheldham
Bradwell-On-Sea	Bradwell Waterside	
Cold Norton		
Dengie		
Goldhanger	Great Braxted	Great Totham – North
Great Totham -South		
Hazeleigh	Heybridge Basin	
Langford	Latchingdon	Little Braxted
Little Totham		
Mundon		
North Fambridge -North	North Fambridge -South	
Purleigh		
St. Lawrence	Steeple	Stow Maries
Tillingham	Tollesbury	Tolleshunt D'arcy
Tolleshunt Knights	Tolleshunt Major	
Ulting		
Wickham Bishops	Woodham Mortimer	Woodham Walter



### **What is the definition of a General Store?**

- C.5 For the purposes of Rural Rate Relief, 'General Store' means a business or trade, which wholly or mainly sells by retail both food (other than confectionery) for human consumption and general household goods. Where there are two or more General Stores within the same Rural Settlement, none can qualify for Mandatory Relief on that basis, although if one of them functions as a Post Office or a Food Shop relief may be claimed independently on that ground. However, both a General Store and a Post Office in the same Rural Settlement will qualify for Mandatory Relief, provided that, they both meet the criteria. Although a General Store or a Post Office may not meet the criteria for Mandatory Relief, they may still be eligible to apply for Discretionary Relief.

### **What is the definition of a Public House?**

- C.6 For the purposes of Rural Rate Relief, 'Public House' means any premises as defined in the Licensing Act 2003, which has a premises license authorising sale by retail of alcohol for consumption on the premises. In addition, the premises must be used principally for retail sales of alcohol to members of the public for consumption on the premises, and sales must not be subject to the condition that buyers reside at or consume food on the premises.

### **What is the definition of a Petrol Filling Station?**

- C.7 For the purposes of Rural Rate Relief, 'Petrol Filling Station' means premises where petrol or other automotive fuels are sold retail to the general public for fuelling motor vehicles intended or adapted for use on roads

### **What is the definition of a Food Shop?**

- C.8 For the purpose of Rural Rate Relief, 'Food Shop' means a trade or business consisting wholly or mainly of the sale by retail of food for human consumption (excluding confectionery and catering – in this context catering means any supply of food for consumption on the premises on which it is supplied and any supply of hot food for consumption off the premises). This definition may also include shops, which sell mainly household foods and which may partly also sell hot take away food or food consumed on the premises. But shops whose main business is a restaurant, tearoom, take-away, or confectionery sales are not food shops and so will not qualify for mandatory relief.

### **What are the qualifying criteria for Discretionary Relief?**

- C.9 The Council may grant up to 50% Discretionary Relief in respect of any property which qualifies for 50% Mandatory Relief and the Council may also grant up to 100% Discretionary Relief to any rural business which does not meet the mandatory provisions. It should be noted that for 2017 onwards Central Government has requested that Council grant 50% discretionary relief to all ratepayers who receive 50% mandatory rural rate relief.

### **Rural Rate Relief – Mandatory Relief recipients, the Council's Policy for granting discretionary relief.**



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- C.10 As Central Government has requested and fully funds any additional relief granted to ratepayers who receive mandatory rural rate relief, the Council will automatically grant the additional 50% until such time as primarily legislation is changed.





## **Appendix D**

### **Discretionary Relief - Premises within Rural Settlements**



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## **Discretionary Relief – Premises within Rural Settlements**

- D.1 In addition to having the ability to grant discretionary relief to those in receipt of mandatory relief, the Local Government and Rating Act 1997 allows discretionary relief of up to 100% to be granted where the rateable value is £16500 or less and:
- a. Property is used for purposes which are of benefit to the local community; and
  - b. It would be reasonable for the billing authority to award relief, having regards to the Council's Council Taxpayers.
- D.2 As with most discretionary relief, part of the cost, is met by Central Government and the balance from local sources.
- D.3 The main criteria for granting discretionary relief in respect of rural rate relief is that premises are used to benefit the local community.

### **Benefit to the local community**

- D.4 Whilst each application for the relief will be considered on its own merits, there are certain factors which weigh heavily in the decision-making process. It is this Council's belief that the spirit of the legislation is to assist businesses and amenities, which contribute significantly to the quality of life of the people who have their main home in the Rural Settlement.
- D.5 To be successful for consideration, a business must show that its existence is a significant benefit to the local community with the majority of local residents directly benefiting from services or facilities provided by that business

### **Rural Rate Relief – the Council's Policy for granting discretionary relief.**

- D.6 The Council will also consider applications for a discretionary rural rate relief from all ratepayers, not entitled to mandatory relief up to a maximum of 100%.
- D.7 In determining the application the following matters will be taken in to consideration:
- The granting of any discretionary relief will be essential in ensuring the viability of any business within the rural settlement;
  - The granting of any discretionary relief is proportionate given the level of any business rates charged compared with the overall turnover of the business;
  - The granting of any discretionary relief will assist the business in continuing to be viable and / or prevent the business from failing;
  - The business is considered by the Council to be essential to the community and that any reduction or withdrawal of the business will have a serious detrimental effect on the rural settlement;



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- The granting of any discretionary relief is reasonable having regard to the effect on taxpayers of the District.



## **Appendix E**

### **Discretionary Relief - Localism Act 2011**



## Discretionary Relief – Localism Act 2011

### General explanation

- E.1 Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988. These provisions allow all Councils to grant discretionary relief in **any** circumstances where it feels fit having regards to the effect on the Council Tax payers of its area.
- E.2 The provisions are designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to Council Tax payers.

### Discretionary Relief – Localism – the Council's Policy

- E.3 Applications will be considered from any ratepayer who wishes to apply. However, where a ratepayer is suffering hardship or severe difficulties in paying their rates liability then relief can be granted under the existing provisions as laid down by Section 49 of the Local Government Finance Act 1988. There will be no requirement to grant relief in such cases under the Council's discretionary relief policy.
- E.4 Any ratepayer applying for discretionary rate relief under these provisions and who does not meet the criteria for existing relief (charities, non-profit making organisations etc.) must meet **all** of the following criteria and the amount of relief granted will be dependant on the following key factors:
- a. The ratepayer **must not** be entitled to mandatory rate relief (Charity or Rural Rate Relief);
  - b. The ratepayer **must not** be entitled to Central Government funded reliefs;
  - c. The ratepayer **must not** be an organisation that could receive relief as a non-profit making organisation or as a sports club or similar;
  - d. The ratepayer **must** occupy the premises (no discretionary rate relief will be granted for unoccupied premises);
  - e. The premises and organisation **must** be of *significant* benefit to residents of the Council's area;
  - f. The premises and organisation **must** relieve the Council of providing similar facilities;
  - g. The ratepayer **must**;
    - a. Provide facilities to certain priority groups such as elderly, disabled, minority groups, disadvantaged groups; **or**
    - b. Provide *significant* employment or employment opportunities to residents of the Council; **or**
    - c. Provide the residents of the area with such services, opportunities or facilities that cannot be obtained locally or are not provided locally by another organisation;
  - h. The ratepayer **must** demonstrate that assistance (provided by the discretionary rate relief) will be for a *short time only* **and** that any business / operation is financially viable in the medium and long term;
  - i. whether the premises occupied are considered to be reasonable having regard to the size and location of the premises, the size and nature of the organisation, and the use being made of the premises by the organisation; **and**



- 
- j. The ratepayer **must** show that the activities of the organisation are consistent with the Council's core values and priorities.
- E.5 Where a ratepayer can demonstrate that **all** of the above criteria are met, relief will be considered for initially a short period.
- E.6 A formal application from the ratepayer will be required in each case and any relief will be granted in line with State Aid requirements as specified within section 6 of this policy.



## **Appendix F**

### **Local Newspaper Relief**



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## General Explanation

- F.1 This is a temporary relief for 2017-18 and 2018-19 and the Government is not changing the legislation around the reliefs available to these properties. Central Government will reimburse local authorities that use their discretionary relief powers (under section 47(3)) of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in this guidance.
- F.2 The Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.

## Eligibility criteria

- F.3 The scheme will provide a £1,500 relief for office space occupied by local newspapers up to a maximum of one discount per local newspaper title and per hereditament, for two years from 1 April 2017.

## Local Newspapers

- F.4 The relief is to be specifically for local newspapers and by that, the Council means what would be considered a "traditional local newspaper." The relief will not be available to magazines.

## Office Space

- F.5 The hereditament **must** be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

## Amount of Relief

- F.6 The amount of relief is limited to a maximum of one discount per newspaper title (e.g. per newspaper name) **AND** per hereditament. As with all discretionary rate relief, any grant will be subject to State Aid limits as defined within section 6 of this policy.

## Local Newspaper Relief - the Council's policy for granting discretionary relief.

- F.7 The Council has decided to grant relief strictly in accordance with Central Government guidelines.





## **Appendix G**

### **Supporting Small Businesses Relief**



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## General Explanation

- G.1 Central Government has increased the thresholds for Small Business Rate Relief from 1 April 2017 to £12,000 for the 100% relief and £15,000 for the tapered relief. They have also allowed rural rate relief to be granted up to 100% using S47 of the Local Government Finance Act 1988 as a top up to the mandatory level of 50%, albeit that the rateable value limits have not been changes in respect of rural hereditaments (see section D of this policy). Unfortunately, despite these changes, some small businesses and businesses in rural areas may lose their entitlement to the relief due to increases in Rateable Value through the revaluation on 1<sup>st</sup> April 2017.
- G.2 The transitional relief scheme (provided under the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265) does not provide support in respect of changes in reliefs. Therefore, those ratepayers who have lost some or all of their small business or rural rate relief may face large percentage increases in bills from 1 April 2017.
- G.3 In view of this, Central Government announced that a new scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief due to the revaluation. All authorities are encouraged to grant the relief in accordance with the guidelines laid down by Central Government and if granted strictly in accordance with guidance, the Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.
- G.4 The relief is known as the 'Supporting Small Businesses Scheme'

## Who is eligible for the relief and how much relief will be available?

- G.5 The Supporting Small Businesses relief will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their small business or rural rate relief and, as a result, are facing large increases in their bills.
- G.6 To support these ratepayers, the Supporting Small Businesses relief will ensure that the increase per year in the bills of these ratepayers is limited **to the greater of:**
- a. a percentage increase per annum. of 5%, 7.5%, 10%, 15% and 15% 2017/18 to 2021/22 all plus inflation. ( Unlike the transitional relief scheme under the Chargeable Amount regulations), for the first year of the scheme the percentage increase is taken against the bill for 31 March 2017 after small business rate relief or rural rate relief; **or**
  - b. a cash value of £600 per year (£50 per month).
- G.7 This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought into paying something.
- G.8 In the first year of the scheme, this means all ratepayers losing some or all of their small business



rate relief or rural rate relief will see the increase in their bill capped at £600. The cash minimum increase is £600 per year thereafter. This means that ratepayers who in 2016/17 paid nothing under small business rate relief and are losing all of their entitlement to relief (i.e. moving from £6,000 rateable value or less to more than £15,000) would under this scheme be paying £3,000 in year 5.

- G.9 The Government has also decided that those on the Supporting Small Businesses relief scheme whose 2017 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for the Supporting Small Businesses relief scheme.
- G.10 Ratepayers will remain in the Supporting Small Businesses relief scheme for either 5 years or until they reach the bill they would have paid without the scheme (this would be the charge payable as their true rates payable or the charge calculated under the Non-Domestic Rating (Chargeable Amounts)(England) Regulations 2016).
- G.11 A change of ratepayer will not affect eligibility for the Supporting Small Businesses relief scheme **but** eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.
- G.12 The rules for state aid (as detailed in section 6 of this policy) shall apply when considering Supporting Small Businesses Relief.

## Recalculation of relief

- G.13 The amount of relief awarded under the Supporting Small Businesses relief scheme will be recalculated in the event of a change of circumstances including the following:
- This could include, for example, a backdated change to the rateable value or the hereditament; or
  - The awarding of another relief.
- G.14 The Council will, in effect, calculate the award on a daily basis taking into account the above, and the relief will be re-calculated if the rateable value changes.

## Other Reliefs

- G.15 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for Supporting Small Businesses Relief. Likewise, the same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate will not further reduce the bill found under the Supporting Small Business scheme.
- G.16 In accordance with Central Government guidelines, all other discretionary reliefs, will be considered **after** the application of Supporting Small Businesses relief.



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## **Supporting Small Businesses Relief - the Council's policy for granting discretionary relief.**

G.17 The Council has decided to grant relief strictly in accordance with Central Government guidelines



## **Appendix H**

### **Public House Relief**



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## General Explanation

- H.1 This is a temporary relief for 2017-18 and the Government is not changing the legislation around the reliefs available to premises. Central Government will reimburse local authorities that use their discretionary relief powers (under section 47(3)) of the Local Government Finance Act 1988) to grant £1000 relief in line with the eligibility criteria set out in guidance to be produced by Central Government
- H.2 Central Government guidelines have been issued and it has been established that any amount granted will be reimbursed by a section 31 grant.

## Eligibility criteria

- H.3 The Council's policy, in line with Central Government requirements, will provide a relief of £1,000 relief for one year only (1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018) for all eligible public houses who have a rateable value of less than £100,000 on 1<sup>st</sup> April 2017.
- H.4 The definition of a 'Public House' means any premises as defined in the Licensing Act 2003, which has a premises license authorising sale by retail of alcohol for consumption on the premises. In addition, the premises **must** be used principally for retail sales of alcohol to members of the public for consumption on the premises, and sales must not be subject to the condition that buyers reside at or consume food on the premises.
- H.5 It will be for the Council to decide whether any premises falls within the definition give in the above paragraph. No relief shall be given where the premises are unoccupied.

## Other Reliefs

- H.4 Pubic House relief will be granted after applying any other mandatory reliefs and reductions

## Public House Relief – the Council's policy for granting discretionary relief.

- H.5 The Council has decided to grant relief strictly in accordance with Central Government guidelines.



## **Appendix I**

### **Discretionary Business Rate Relief Scheme**



## General Explanation

- I.1 In March 2017, Central Government announced that it would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation. Government determined that Councils would be best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need.
- I.2 Every authority within England is to be provided with a share of a £300 million fund to support their local businesses. This is to be administered through billing authorities' discretionary relief powers under section 47 of the Local Government Act 1988.
- I.3 Government also believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct the funding where it is most needed to support local economies.
- I.4 The funding is not provided equally over the four-year period but in the following approximate proportions:
- Year 1 (2017/18) 58%
- Year 2 (2018/19) 28%
- Year 3 (2019/20) 12%
- Year 4 (2020/21) 2%
- I.5 Councils will be compensated for any relief granted under section 31 of the Local Government Act 2003. The Government has decided that any underspend **cannot** be 'vired' from one year to the next.
- I.6 A key criteria of reimbursement will be that all Billing Authorities will consult with major precepting authorities when formulating their schemes.
- 1.7 The financial effects to the Council of the Discretionary Business Rates Relief Scheme are shown in the following table

Amount of discretionary fund awarded (£000s) - Maldon District Council			
2017-18	2018-19	2019-20	2020-21
115	56	23	3



## Consultation

- I.8 The Council has consulted with the major preceptors in relation to this scheme and has taken their comments into account when determining the eligibility criteria. This is an essential part of the Discretionary Business Rates Relief Scheme and is in line with the grant determination issued by the Department of Communities and Local Government (DCLG) No.31/3071.
- I.9 The grant determination states that a condition of the fund is that consultation is undertaken with 'relevant authorities'. Relevant authorities for the purposes of this scheme means:
- a. Any major precepting authority; and
  - b. Any combined authority.
- I.10 In the case of the District Council the major precepting authorities have been consulted namely:
- a. Essex County Council
  - b. The Police and Crime Commissioner for Essex; and
  - c. Essex Fire and Rescue Service.

## State Aid

- I.11 The rules relating to State Aid (as defined within section 6 of this policy) apply. The Council will ensure full compliance in this area to ensure that relief can be given to the most deserving ratepayers.

## Decisions by the Council

- I.12 Decisions by the Council are made directly in line with the Scheme of Delegation as outlined within section 7 of this policy. Any decision to award relief under this scheme will follow the core principles of the Council's discretionary relief policy as defined by section 3.8.
- I.13 It should be noted that whilst the funding from Central Government for Discretionary Business Rate Relief Scheme is limited, the decision of the Council whether to award any relief under this scheme **will not take account** of the level of any funding.

## Discretionary Business Rate Relief Scheme- the Council's policy for granting discretionary relief.

### Applications for relief under this scheme

- I.14 The Council is keen to identify ratepayers who may qualify for the relief and as such will look to encourage certain ratepayers to apply. The Council will look to simplify the application process wherever possible, but it will expect any ratepayers to provide such information as is required by the Council to support their application.



## **Discretionary Business Rate Relief Scheme- the Council's policy for granting discretionary relief.**

- I.15 The Council has decided that relief under the scheme will be awarded using the following criteria:
- a. Priority will be given to businesses with a new rateable value of between £12,000 and £50,000;
  - b. Priority will be given where rates that are payable increase by more than 20% in 2017-18 (due to revaluation) after any reliefs have been granted;
  - c. The ratepayer must:
    - have had an occupied rates liability during the period 1st April 2016 to 31st March 2017;
    - have been trading from the premises;
    - not have qualified for Mandatory Charity Relief or Supporting Small Business Relief scheme;
    - not have received State Aid in a three-year period, including the current year, in excess of €200,000 euros;
    - not have more than two occupied rateable properties in the United Kingdom
  - d. Relief will be recalculated if there is a rateable value reduction or if another relief is applied that affects liability, or there is any other change in liability;
  - e. Relief will not apply where properties are entered into the list retrospectively
- I.16 Any business can apply, if they meet the criteria in the policy however priority for the allocation of the funding will be given to support small to medium retail businesses.

### **Amount of Relief**

- I.17 The amount of relief is tapered and will be calculated as follows:
- 2017/18**  
The award will be up to £1000 where the ratepayer meets the criteria in I.15
- Future years**  
To be determined by the authority

### **Applications for relief under this scheme**

- I.18 The Council is keen to identify ratepayers who may qualify for the relief and as such will look to encourage certain ratepayers to apply. The Council will look to simplify the application process wherever possible, but it will expect any ratepayers to provide such information as is required by the Council to support their application

### **Variation and amendment of relief under the scheme**

- I.19 As with all reliefs, the amount of relief awarded under the Discretionary Businesses Rates relief scheme will be recalculated in the event of a change of circumstances. This will include, for example, a



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backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

- I.20 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) requires the Council to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. But within these regulations, the Council may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.



## **Appendix J**

### **Section 49 - Hardship Relief**



## Section 49 – Hardship Relief

### General explanation

- J.1 The Council is able to exercise its discretion under Section 49 of the Local Government Finance Act 1988 to provide either partial or full relief for non-domestic rate payments in cases of hardship where it would be reasonable to do so having due regard to the interests of council tax payers in general.

### Section 49 Hardship Relief – the Council's Policy

- J.2 The Council will consider applications for hardship relief from individuals and organisations based on their own merits on a case-by-case basis. The Customer Manager (s) will consider applications. Application forms are available at the following links:

- [General Discretionary application form](#)
- [Hardship Discretionary additional questions](#)

- J.3 In making decisions on whether to award the relief the Council takes into account the following criteria (not listed in any priority):

- Any reduction or remission of rates on the grounds of hardship should be the exception rather than the rule;
- Any reduction of the rates must be shown to be significant to the future viability of the business;
- The business must continue to trade;
- Cash flow forecasts for a minimum of the next twelve months must be provided together with a comprehensive Business Plan incorporating a brief history of the business;
- The test of "hardship" is not strictly confined to financial hardship and that this, in itself, is not a deciding factor;
- The loss of the business would reduce amenities of an area if it is the sole provider of a service in the area;
- Details of any state aid, grants or subsidies either from central or local government over the previous three years;
- The loss of the business would worsen the employment prospects in the area;
- The interests of the Council Tax payers of the area would be best served by awarding the relief;
- The business must demonstrate how it is beneficial to the local community and why it is currently suffering financial hardship;
- The business provides employment to local residents in an area where employment opportunities are limited;
- Independent advice given by banks or financial advisors should be sought to demonstrate the future viability of the business;
- Applications will only be considered where signed by the ratepayer, or, where an organisation is the ratepayer, an appropriately authorised representative of the organisation; and
- The ratepayer will provide additional information as deemed necessary by the Council to be essential in order for a fair evaluation of the application.

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**a. Help for small businesses**

**i. Increase in threshold for receiving Small Business Rate relief**

The threshold for receiving 100% rate relief is increasing from £6000 to £12,000

The thresholds for receiving some tapered relief (between 100% - 0%) have increased from £12,000 to £15,000

Rate relief for the sole post office, general store, pub or petrol station in rural settlements are (subject to rateable value thresholds) increasing from 50% to 100% relief

**ii. Rate relief for those small/ rural business's facing big increases**

A new relief will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their small business or rural rate relief and, as a result, are facing large increases in their bills. This relief will ensure that the increase per year in the bills<sup>1</sup> of these ratepayers is limited to the greater of:

- a cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers currently paying nothing or very small amounts are brought into paying something, or
- the matching cap on increases for small properties in the transitional relief scheme<sup>2</sup>.

***The reliefs at i. and ii, have been awarded and revised bills sent to ratepayers***

**b. Relief for Pubs**

A new £1,000 annual relief for Pubs with rateable values of less than £100,000.

***Invitations to apply for the relief have been sent to all eligible ratepayers (30), and relief has been granted to all that have applied.***

**c. Discretionary Relief - share of national £300M pot 2017/18**

A package of tapered funding for a 4 year period was announced to support those businesses that face the steepest increases in their business rates bills as a result of the 2017 revaluation.

Maldon's share of the funding is as follows:

- £175m in 2017/18 (£115,000)
- £85m in 2018/19 (£56,000)
- £35m in 2019/20 (£23,000)
- £5m in 2020/21 (£3,000)

The Government have given local authorities discretion to award this relief, and to develop its own discretionary relief schemes to "deliver targeted support to the most hard-pressed ratepayers"

***We anticipate relief could be granted to around 100 businesses with awards of up to £1,000 dependant on eligibility criteria determined by the Council.***

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## **REPORT of DIRECTOR OF CUSTOMERS AND COMMUNITY**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
28 NOVEMBER 2017**

### **LOCAL COUNCIL TAX SUPPORT SCHEME 2018 / 19**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To provide an update on the cost and impact of the current 2017 / 18 Local Council Tax Support (LCTS) Scheme for the Maldon District, and to seek endorsement of a substantially unchanged cost neutral scheme for 2018 / 19.

#### **2. RECOMMENDATIONS**

##### To the Council:

- (i) that a cost of living increase in line with the Department for Work and Pensions schemes be included in the Local Council Tax Support Scheme for 2018 / 19 for Pensioners only;
- (ii) that any legislative changes being introduced to the Housing Benefit Scheme for 2018 / 19 are mirrored in the Councils LCTS scheme to ensure consistency;
- (iii) To allow for a disregard of low value income changes notified electronically by the Department of Work and Pensions;
- (iv) that in all other respects the Local Council Tax Support Scheme and Hardship Scheme remain unchanged, and that this decision has been made following Members' careful reading of, and regard to the Equality Impact Assessment at **APPENDIX 1**.

#### **3. SUMMARY OF KEY ISSUES**

- 3.1 Following the abolition of the National Council Tax Benefit Scheme in 2013 a replacement LCTS Scheme was approved by the Council on 13 December 2012 (Minute No. 688 refers), and a substantially unchanged scheme was approved for the subsequent years up to and including 2017 / 18.
- 3.2 The current scheme reflects the Council's decision to deliver a long term sustainable scheme based on cost neutral principles.

- 3.3 The on-going reduction in central funding to deliver the scheme together with the Government's requirement that those of pensionable age are protected from being any worse off means that the options for delivering a cost neutral scheme are limited. This means that the burden for any savings to the scheme have to be borne by those of working age.

### 3.4 **Scheme Costs and impact on Council Tax Collection**

- 3.4.1 The net cost of the Council Tax Support Scheme for 2017 / 18 to date is £3.08M, against an estimated expenditure of £3.1M. This cost is being effectively contained within the collection fund. The impact of LCTS on the Council Tax Base also shows a continued trend of the impact of LCTS slightly decreasing, consequently a substantially unchanged LCTS Scheme is likely to continue to be contained within current budget. The consequence of future welfare reforms may adversely affect this, but based upon current projections the proposed LCTS scheme remains affordable.
- 3.4.2 The council tax collection rate is being sustained at the levels anticipated (76.16 % at 31 October 2017) which is very slightly higher than this point in 2016/17 (76.1%) The overall collection rate is expected to meet our annual target of 98.3%. This is 0.2% higher than achieved in 2013 / 14, and closes the gap between the pre LCTS collection rate of 98.4 % to 0.1%.
- 3.4.3 The sustained collection rate since the introduction of LCTS demonstrates the authorities firm but fair approach to collection and enforcement of debts. Additional support and advice continues to be provided to customers who have difficulties in paying. The further welfare reform changes being implemented including the Essex wide introduction of Universal Credit will affect many more customers than previous reforms and may have an impact upon collection rates for 2018 / 19.
- 3.4.4 The overall impact upon collection rates would have been much greater without the Major Precepting Authorities funding, to enable additional resources to help improve collection performance. A three year funding agreement was entered into with Major Preceptors in April 2015, and a further one year extension to that arrangement has been agreed to 31 March 2019. Discussions are underway with the Major Precepting Authorities to review the options for a further agreement for funding resources and sharing additional income from 1 April 2019.

### 3.5 **Consultation**

- 3.5.1 A consultation exercise was undertaken for a six week period between September and October 2017.
- 3.5.2 A variety of methods were used to consult with both customers, members of the public, partners and stakeholders. These included:
- publication on the Council's Website;
  - press release;
  - use of social media such as updates on Twitter and Facebook;
  - emails to Stakeholders and Partners inviting their views;
  - e-mail banner on outgoing emails to customers inviting participation;

- paper copies available at various locations;
  - information on the reverse of Council Tax bills
- 3.5.3 In common with many other Essex Authorities the level of participation was low despite efforts to encourage and assist customers to complete the survey.
- 3.5.4 The key outcomes from the consultation were that:
- 80% of respondents felt that the Council should continue to operate a “cost neutral” LCTS scheme in 2018 / 19 (compared to 60% in 2016).
  - 97% agreed that working age residents should make a minimum contribution towards council tax (compared to 75% in 2016)
  - the majority of respondents indicated that the minimum payment should remain at 20%.
  - respondents also broadly supported changes supporting administrative changes such as simplifying claiming processes for customers, introducing discretion with regards to the Department for Work and Pensions (DWP) income change notifications and disregarding Bereavement Support Payments.
  - the majority of respondents (55%) agreed that the deduction for non-dependents should be increased from £10 per week.
  - If the Council had to find alternatives to fund the current LCTS scheme 39% respondents indicated they would prefer to increase Council Tax to fund the changes, 22% felt that we should use the council savings.
- 3.5.5 The scheme being proposed for 2018/19 is substantially unchanged and includes
- provision for an overall Council Tax increase in line with the Medium Term Financial Statement.
  - continuation of an Exceptional Hardship fund of £8,410, subject to agreement of funding by Essex County Council (ECC).
  - provision for a cost of living increase for pensioners.
  - To allow for a disregard of low value income changes notified electronically by the Department of Work and Pensions (see paragraph 3.5.6)
- 3.5.6 The council currently receives a high volume of electronic notifications from the DWP relating to low value income changes. In allowing for a disregard of low value changes, this will assist us to help provide an improved and more streamlined service to customers, whilst also improving the efficiency and effectiveness of the administration of the scheme.
- 3.6 Hardship Fund**
- 3.6.1 In 2017 / 18 Essex County Council (ECC) made £8,410 of funding available for an Exceptional Hardship Fund, and has indicated that the same funding will be available for 2018 / 19.
- 3.6.2 It is proposed that the Council continues to offer this scheme, with no changes to the policy adopted in 2017 / 18.

## 4. CONCLUSION

- 4.1 In order to continue to deliver a cost neutral LCTS Scheme within the budget proposed for 2018 / 19 the only changes recommended are for a cost of living increase in line with the rates proposed by the Department for Work and Pensions (DWP) for pensioners.

## 5. IMPACT ON CORPORATE GOALS

- 5.1 A Local Council Tax Support Scheme supports the Councils Goal of “ Strengthening communities to be safe, active and healthy” by ensuring that the service can be targeted to reduce inequalities and the goal of “delivering good quality, cost effective and valued services” by complying with its statutory obligations.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – 3,382 households are currently entitled to LCTS of which 1528 are working age.

The cumulative effect of the various welfare reforms are having a significant impact upon customers, and this impact is likely to increase as other welfare reforms are continued to be introduced during 2018 / 19.

- (ii) **Impact on Equalities** – An Equalities Impact Assessment of the LCTS scheme has been undertaken. Members are asked to carefully consider the content of the assessment as part of their decision to approve the proposed LCTS scheme for 2018 / 19.

- (iii) **Impact on Risk** – The financial modelling for the proposed scheme has allowed for some variation in demand, and based upon expenditure to date for 2017 / 18 is expected to ensure that the scheme would remain cost neutral.

The cumulative effects of the various welfare reforms are having an impact both upon Council Tax collection and the number of customers with housing issues. The impacts are being monitored and help and advice is being provided by the Council and its partners to support customers.

- (iv) **Impact on Resources (financial)** – The cost of the proposed scheme is within budget, and allows for some variation in demand. The expenditure on the scheme is monitored on a monthly basis, and any significant variations will be reported to Members.

- (v) **Impact on Resources (human)** – The proposed LCTS scheme can be delivered within existing staffing resources, however the impact of increased demand may have an impact upon performance.

- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Sue Green, Group Manager: Customers, (Tel: 01621 875892).

## Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

<b>Title</b> Council Tax Support scheme for 2018 / 19	<b>Date</b> November 2017	<b>Officer Preparing</b> Al Morrell
<b>1. Background</b>		
<p><b>1.1 Description of proposal / policy / service</b> (Including aims, outcomes and in the case of an existing service how long it has been delivered in its current format)</p> <p>Council Tax Support aims to help people with low incomes to meet their Council Tax obligations, covering payment of Council Tax and Discounting of Council Tax</p> <p>The aim of Council Tax Support is</p> <ul style="list-style-type: none"> <li>• To have a fair and equitable scheme</li> <li>• To maintain support for particularly vulnerable people within the constraints imposed by Government policy</li> </ul> <p>The service areas or partner agencies involved are</p> <ul style="list-style-type: none"> <li>• Maldon District Council</li> <li>• Any authority that can levy a charge to contribute to Council tax</li> <li>• Essex authorities who are sharing the scheme</li> <li>• All Essex precepting authorities</li> <li>• Department for Work and Pensions</li> <li>• Department for Communities and Local Government</li> </ul>		
<p><b>1.2 Who are the users of the proposal / policy / service</b> (Refer to data held about the users of the service i.e. numbers of users, demographic breakdown. Having this information is important to understand which sectors of the community might be affected. If that is not available refer to the demographic data held on the intranet.)</p> <p>Broadly, this affects those liable for Council Tax within the District and adults on a low income with low savings</p> <p>There are 3382 Council Tax Support Claimants* of which 1528 are working age. The breakdown of which is as follows (*as at 1 October 2017)</p>		

## Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

2017/18	All Groups	3382
	Elderly (Total)	1854
	Working Age (Total)	1528
4	Elderly-Passported	1094
6	Elderly-Non-Passported	760
7	Working Age-Passported-War Pensioners	0
9	Working Age-Passported-Severe Disability	148
11	Working Age-Passported-Enhanced Disability	145
13	Working Age-Passported-Disability	35
15	Working Age-Passported-Carer	80
17	Working Age-Passported-Disabled Child Premium	8
19	Working Age-Passported-Lone Parent Child Under 5	132
21	Working Age-Passported-Child Under 5	26
23	Working Age-Passported-Family Premium - 5 and Above	0
25	Working Age-Passported-Family Premium - 4 Child	4
27	Working Age-Passported-Family Premium - 3 Child	10
29	Working Age-Passported-Family Premium - 2 Child	36
31	Working Age-Passported-Family Premium - 1 Child	58
33	Working Age-Passported-Family Premium	11
35	Working Age-Passported-Working	2
37	Working Age-Passported-Non Dependant	60
39	Working Age-Passported-Other	273
41	Working Age-Non-Passported-War Pensioners	2
43	Working Age-Non-Passported-Severe Disability	33
45	Working Age-Non-Passported-Enhanced Disability	53
47	Working Age-Non-Passported-Disability	21
49	Working Age-Non-Passported-Carer	23
51	Working Age-Non-Passported-Disabled Child Premium	4
53	Working Age-Non-Passported-Lone Parent Child Under 5	37
55	Working Age-Non-Passported-Child Under 5	44
57	Working Age-Non-Passported-Family Premium - 5 and Above	1
59	Working Age-Non-Passported-Family Premium - 4 Child	4
61	Working Age-Non-Passported-Family Premium - 3 Child	19
63	Working Age-Non-Passported-Family Premium - 2 Child	45
65	Working Age-Non-Passported-Family Premium - 1 Child	55
67	Working Age-Non-Passported-Family Premium	12
69	Working Age-Non-Passported-Working	97
71	Working Age-Non-Passported-Non Dependant	16
73	Working Age-Non-Passported-Other	34

## Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

**1.3 Have users been consulted with?** (Have you carried out consultation with users or stakeholders while drawing up the proposal / policy / service? For example, have you carried out a formal consultation, discussed the issue with a Friends/User Group or consulted with stakeholders? If so, outline the results and how it has informed your plans. It's also important to show whether the target audience was reached during the consultation.)

A six-week public consultation was carried out in September/October 2017. The consultation was publicised via a press release, the Council's website, regular Social Media updates, outgoing mail to benefit and Council Tax residents and email alerts. A wide range of key partners and stakeholders were also directly advised and actively encouraged to provide their views i.e. advice and support agencies, housing providers.

The consultation results will be fed in to this process and are included here.



Survey Results -  
October 2017.pdf

**1.4 If the analysis is regarding an existing Service, what are users' views of that Service?** (Base your view on evidence such as satisfaction surveys, levels of compliments and levels of complaints).

The Revenues and Benefits team is a high performing team that regularly meets locally set performance targets. For the current financial year (2017-18) the team is on track to meet the targets for processing new claims and changes in circumstances.

During the financial year 2016-17 there were 10 complaints relating to the Revenues and Benefits service (a decrease from 12 complaints from the previous year).

However, in comparison during the same period the team processed in excess of 22,000 items of work. There were also five compliments.

## Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

### 2. Equality Aims – consider how the proposal / policy / service meets the three Equality Aims listed in the Equality Act.

Aim	How does the proposal / policy / service meet the equality aim?	Action or addition needed in order that the proposal / policy / service meets the aim?
2.1 To eliminate unlawful discrimination, harassment and victimisation	<ul style="list-style-type: none"> <li>Higher Rate Disability benefits will continue to be disregarded thereby protecting those with specific long term conditions who fall within this group. Without such action to protect this group the policy could potentially be discriminatory. There is also an Exceptional Hardship Scheme which can assist customers with specific circumstances.</li> </ul>	None required
2.2 To advance equality of opportunity between people who share a protected characteristic and those who do not	<ul style="list-style-type: none"> <li>Older people are protected in the policy, which follows specific Government Regulations.</li> <li>Parents who receive a child benefit will continue to have this disregarded as part of the CTS calculation, which is consistent with the Council's duty to safeguard and promote the welfare of children.</li> <li>Higher rate Disability Benefits will continue to be disregarded thereby protecting those with specific long term conditions who fall within this group.</li> <li>In 2014 it was also agreed that Lone Parents receive a disregard of £15 per week from Child Maintenance payments</li> <li>A hardship fund exists to ensure provision for those residents who have exceptional circumstances.</li> </ul>	



### Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

2.3 To foster good relations between those who share a protected characteristic and those who do not	<ul style="list-style-type: none"> <li>The scheme remains means tested so the scope for discrimination is limited. All working age customers</li> </ul>	
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### 3. Equality Impacts – examine how the proposal / policy / service impacts on the community. Base the analysis on evidence. Attach additional documents if necessary.

Impacts	Positive impact (X)	Could adversely impact (X)	No impact (X)	How different groups could be affected: Summary of impacts	Actions to reduce negative or increase positive impact
3.1 Age (What will the impact be on different age groups such as younger or older people?)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Older People (60+) are specifically protected under Government Regulations	
3.1 Age (What will the impact be on different age groups such as younger or older people?)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Due to the protection afforded to those of pensionable age, customers of working age are impacted directly by any changes to the scheme.</p> <p>People over 18 of working age will potentially be required to pay more.</p>	<p>Parents will continue to have Child Benefit disregarded in the CTS calculation which is consistent with the Council's duty to safeguard and promote the welfare of children.</p> <p>The Council will continue to provide information and advice on income maximisation.</p>
3.2 Disability (Consider all disabilities such as hearing loss, dyslexia etc as well as access issues for wheelchair users where appropriate)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	People with disabilities who are below pensionable age may need to pay more.	<p>Higher Rate Disability Benefits continue to be disregarded (i.e. Disability Living Allowance) thereby protecting those with specific long term conditions.</p> <p>A hardship fund exists to ensure provision for those residents who have exceptional circumstances.</p>

### Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

Impacts	Positive impact (X)	Could adversely impact (X)	No impact (X)	How different groups could be affected: Summary of impacts	Actions to reduce negative or increase positive impact
<b>3.3 Pregnancy and Maternity</b> (Think about pregnancy, new and breastfeeding Mums)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Removal of the family premium (currently an allowance of £17.45 per week) in line with the Government's changes for Housing Benefit will only affect those families who are working age and not claiming "passported" benefits such as Universal Credit and Income Support.</p> <p>New working age residents may see a reduction in support and some households with children will pay more.</p> <p>With regard to limiting the number of dependent children in the CTS calculation, households who have a third or subsequent child after 1 April 2017 may receive less support than claimants who have more children born before that date. This amounts to an additional premium of £66.90 per week (for a child of any age).</p> <p>This would bring the scheme in line with the Government's changes for Housing Benefit.</p>	
<b>3.4 Sex</b> (is the service used more by one gender and are the sexes given equal opportunity?)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>CTS is means tested and therefore gender is not a factor in the calculation of support.</p>	

### Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

Impacts	Positive impact (X)	Could adversely impact (X)	No impact (X)	How different groups could be affected: Summary of impacts	Actions to reduce negative or increase positive impact
3.5 Gender Reassignment (Is there an impact on people who are going through or who have completed Gender Reassignment?)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CTS is means tested and therefore gender is not a factor in the calculation of support	
3.6 Religion or belief (Includes not having a religion or belief)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CTS is means tested and therefore religion is not a factor in the calculation of support	
3.7 Sexual Orientation (What is the impact on heterosexual, lesbian, gay or bisexual people?)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CTS is means tested and therefore this characteristic is not a factor in the calculation of support	
3.8 Race (Includes ethnic or national origins including Gypsies and Travellers)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CTS is means tested and therefore this characteristic is not a factor in the calculation of support.	
3.9 Socio-Economic Group (Will people of any particular socio-economic group be particularly affected?)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Council Tax Support is designed to help people who have restricted incomes. Any additional changes to the proposed scheme will therefore have an impact on those who claim support – particularly those of working age.	

## Maldon District Council Equality Analysis

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

**4. Is there a Cumulative Impact?** (If the same group is the subject of many changes or reductions the overall impact is much greater. Consider what else is happening within Maldon District Council that may have an impact and also what we know is happening elsewhere (such as Essex County Council). See Guidance for further advice.)

The requirement to introduce a local Council Tax scheme and to make savings has been introduced via Government policy so each year our scheme must be reviewed and a proposal must be pursued following a public consultation.

Whilst the authority may choose to allocate funding to ensure full protection for all customers, to date this has not been considered to be financially sustainable. Furthermore, the results from public consultations would appear to agree that customers claiming support should pay towards their Council Tax.

### 5. Outcome

#### 5.1 Consider all the analysis and evidence above and indicate

(1) No change needed ☐ (2) Adjust ☐ (3) Adverse impact but continue ☒ (4) Stop, remove the proposal / policy / service ☐

#### 5.2 Adjustments

If option (2) above is selected please detail what adjustments are needed, who is responsible and how that will be reviewed. Also outline how that will be agreed (i.e. Committee, CMT).

**5.3 Decision Making** (How will this equality analysis be taken into account during the decision making process? For example will it be included with a report to Committee/CMT? Will it be considered at department level or by a Head of Service? How will community/stakeholders views be taken into account?)

The Equality analysis will be included within the decision making process which includes consideration at

- Finance and Corporate Services Committee on 28 November 2017
- Full Council on 21 December 2017

**Maldon District Council Equality Analysis**

Please complete the questions below as fully as possible - the boxes will expand to accommodate your text. Please include the document version in the footer below.

<b>6.0 Next Steps</b>
<p><b>6.1 If there was a lack of evidence or data held on which to base this assessment, how will that gap be addressed for the future?</b></p> <p>Not applicable</p>
<p><b>6.2 Summary of actions highlighted within this analysis</b> (Include how this will be picked up within service/work plans)</p>
<p><b>6.3 Arrangements for future monitoring of equality impact of this proposal / policy / service</b></p> <p>To be reviewed at least annually, or where relevant changes occur which may have an impact.</p>
<p><b>6.4 Approved by (Manager or Head of Service signature and date)</b></p> <p><b>Sue Green (Group Manager: Customers)</b></p>

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## **REPORT of DIRECTOR OF RESOURCES**

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to  
**FINANCE AND CORPORATE SERVICES COMMITTEE**  
**28 NOVEMBER 2017**

### **ANNUAL REVIEW OF FINANCIAL REGULATIONS**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To consider and recommend to Council revisions to the Financial Regulations as part of the regular annual review.

#### **2. RECOMMENDATIONS**

- (i) That Members review and comment on the policy and procedure notes for debtors and creditors (**APPENDICES 2 and 3**);
- (ii) That Members review and comment on the Financial Regulations (**APPENDIX 1**).

To the Council:

- (iii) That the Financial Regulations as attached at **APPENDIX 1** be approved.

#### **3. SUMMARY OF KEY ISSUES**

- 3.1 The amended Financial Regulations document is attached as **APPENDIX 1**.
- 3.2 The Financial Regulations have remained broadly the same with changes to reflect organisational terminology, and aid clarity in certain areas. A summary of changes has been recorded on page two of the regulations, the main changes are (please note that the appendices relate to those in the Financial Regulations and are not separate appendices to this report):
- Appendix I to the Regulations has been added to give the delegation for key officers in case of absence.
  - The threshold for recording an item on the inventory register has been decreased to £500 reflecting a review following an Internal Audit recommendation.
  - Appendix E in relation to Director of Resources responsibilities in the Partnerships appendix has been reviewed and updated following Members' comments.

- Adding specific treatment for virements in Salaries and reserves to Appendix F.

3.3 To support the Financial Regulations, there are additional policies and procedures in place, those relating to financial processes, such as bank reconciliation, payroll and ordering are maintained by the finance team and are available on request. At the Finance and Corporate Services Meeting on 26 September 2017 Members previously requested to see the procedure notes for debtors and creditors (Minute No. 471 refers), these are attached as **APPENDIX 2** and **3** respectively.

#### **4. CONCLUSION**

4.1 It is important that the Council's rules and regulations are regularly reviewed and kept up to date and the changes encompass amendments that were necessary to achieve this.

#### **5. IMPACT ON CORPORATE GOALS**

5.1 This review supports the goal of delivering good quality, cost effective and valued services in a transparent way.

#### **6. IMPLICATIONS**

- (i) **Impact on Customers** – None.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – Up to date policies provide a framework for officers to work to ensure consistency and compliance. Procedure notes provide a valuable business continuity tool, allowing others to carry out a process in periods of staff absence.
- (iv) **Impact on Resources (financial)** – None.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Emma Foy, Director of Resources, (Tel: 01621 875762)  
Carrie Cox, Finance Manager, (Tel: 01621 875799).



## Document Control Sheet

<b>Document title</b>	Financial Regulations and Financial Procedures
<b>Summary of purpose</b>	To provide the framework for managing the Council's financial affairs.
<b>Prepared by</b>	Director of Resources and Finance Manager
<b>Status</b>	Draft (awaiting approval)
<b>Version number</b>	1 (October 2017)
<b>Approved by</b>	
<b>Approval date</b>	
<b>Date of implementation</b>	
<b>Review frequency</b>	
<b>Next review date</b>	
<b>Circulation</b>	
<b>Published on the Council's website</b>	

**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***

## ***Financial Regulations and Financial Procedures***

***Updated October 2017***

## Changes log

Committee version	Change
September 2017	Replaced Standing Committee with Programme Committee throughout document.
September 2017	Section 2 - 3.2 and Appendix A – 2.1.1.1 amended Programme Committees to Finance & Corporate Services Committee.
September 2017	Appendices A- I Formatting of Appendix numbering to aid clarity
September 2017	Appendix A – 5.3.1 Amend reference to presents a true and fair view of the statements as opposed to presents fairly
September 2017	Appendix B – 2.6.1 Established that Service budget managers are only attributed to directly controllable budget codes.
September 2017	Appendix B – 2.6.5 Include DoR responsibility to approve fees and charges where budgeted income is less than £2,000. (Already in the yearbook, but including here to)
September 2017	Appendix D – 3.5.11 removed the “in any case, not later than 15 April”
September 2017	Appendix F – F1.4, removed communication via Members bulletin and inserted via email.
September 2017	Appendix F – F.1.9 Inventories – Reduced the inventory limit to £500 to encompass lower cost desirable items and updated to reflect IT record all assets.
September 2017	Appendix G – G.5. Expanded DoR authorisation for opening banks to show investment/financial instruments
September 2017	Appendix G – G.7 amended so that the DoR “ensures” the safe keeping of cheques
September 2017	Appendix H, removed electronic from orders over £50,000.
September 2017	Appendix I - Expansion on delegation – incl a new appendices for one off delegations
October 2017	Appendix A – 2.3.1, 2.4.1, Appendix F – 1.4 a + b, adjusting wording to be consistent in application of Directors virement budgetary control over Directorate as a whole.
October 2017	Appendix E – Appendix reviewed following last F&CS, paragraph 1.4.5 added to incorporate terms and conditions of agreements.
October 2017	Appendix F- 1.2 Inclusion of Salaries as a separate directorate for virement purposes.
October 2017	Appendix F – Insert 1.4 to add that use of reserves is to be treated as a virement.

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# 1. Status of Financial Regulations

- 1.1. Financial regulations provide the framework for managing the Council's financial affairs. They apply to every member and officer of the Council and anyone acting on its behalf.
- 1.2. The regulations identify the financial responsibilities of the Council, the Committees, the Chief Executive, the Director of Resources, the Monitoring Officer, and other Directors. Directors should maintain a written record where decision making has been delegated to members of their staff, including seconded staff. Where decisions have been delegated or devolved to other responsible officers, references to the Director in the regulations should be read as referring to them. Actions may also be delegated, and again delegation should be documented, however the responsibility to ensure that these actions are happening remains with the person specified in these regulations. (Appendix I)
- 1.3. All Council Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
- 1.4. The Director of Resources is responsible for maintaining a continuous review of the financial regulations and submitting any additions or changes necessary to the Council for approval. The Director of Resources is also responsible for reporting, where appropriate, breaches of the financial regulations to the Finance & Corporate Services Committee. Any non-compliance with the Regulations must be reported to the Director of Resources. Anyone wishing to act outside the provisions of these regulations, in a specific instance, must seek the prior written approval of the Director of Resources.
- 1.5. The Council's detailed financial procedures, setting out how the regulations will be implemented, are contained in the appendices to the financial regulations.
- 1.6. The Director of Resources is responsible for ensuring that all staff are aware of the existence and content of the Council's financial regulations and other internal regulatory documents and that they comply with them.
- 1.7. The Director of Resources is responsible for issuing advice and guidance to underpin the financial regulations that Members, Officers and others acting on behalf of the Council are required to follow. Notes and guidance may expand upon, but not contradict the Regulations. Any consultation required under these Regulations must allow sufficient time for a proper consideration of any issues.
- 1.8. All financial and accounting procedures must be carried out in accordance with the Regulations.

## **2. FINANCIAL REGULATIONS**

### **a) Financial Management**

#### **1. INTRODUCTION**

- 1.1 Financial management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.

#### **2. THE COUNCIL**

- 2.1 The Council is responsible for adopting the corporate governance arrangements (Standing orders and Terms of Reference), for approving the annual budget and the policy framework within which the Committees operate. It is also responsible for approving and monitoring compliance with the Council's overall framework of accountability and control. The framework is set out in its corporate governance arrangements. The Council is also responsible for monitoring compliance with the agreed policy and related Committee decisions.
- 2.2 The Council is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its Committees.

#### **3. THE COMMITTEES**

- 3.1 The Finance & Corporate Services Committee is responsible for proposing the annual budget to the Council, and for discharging its own functions in accordance with that budget and framework.
- 3.2 Once approved, the Finance & Corporate Services committee is responsible for the administration of the budget for the services set out in its Terms of Reference.
- 3.3 Committee decisions can be delegated to an officer or a sub-committee.
- 3.4 The Committees are responsible for establishing protocols to ensure that decisions take account of legal and financial liabilities and risk management issues that may arise from the decision.
- 3.5 The Overview and Scrutiny Committee along with its major role in reviewing Best Value, has power to scrutinise decisions made, or action taken, in respect of any of the functions of the Council which have financial implications. It also has powers to make recommendations on future financial policy options and for reviewing the general financial policy and service delivery of the Council.
- 3.6 The Standards Committee is established by the Council and is responsible for promoting and maintaining high standards of conduct amongst councillors. In particular, it is responsible for advising the Council on the adoption and revision of the Members' code of conduct, and for monitoring the operation of the code.

## **4. THE STATUTORY OFFICERS**

### **4.1 Head of Paid Service**

4.1.1 The Chief Executive is the Head of Paid Service and is responsible for the corporate and overall strategic management of the Council as a whole. He/she must report to and provide information for the Council, the Programme committees and other Committees. He/she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Chief Executive is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the Council's decisions (see below).

4.1.2 The Head of Paid Service is responsible for keeping the Council's corporate governance arrangements up to date.

### **4.2 Monitoring Officer**

4.2.1 The Monitoring Officer is responsible for promoting and maintaining high standards of financial conduct and therefore provides support to the Standards Committee. The Monitoring Officer is also responsible for reporting any actual or potential breaches of the law or maladministration to the Council and/or to the Committees, and for ensuring that procedures for recording and reporting key decisions, as defined in the Constitution, are operating effectively.

4.2.2 The Monitoring Officer must ensure that Committees' decisions and the reasons for them are made public. He/she must also ensure that Council Members are aware of decisions made by Committees and of those made by officers who have delegated responsibility.

4.2.3 The Monitoring Officer is responsible for advising all Members and officers about who has authority to take a particular decision.

4.2.4 The Monitoring Officer is responsible for advising the Committees or Council about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.

4.2.5 The Monitoring Officer (together with the Chief Executive) is responsible for advising the Committees or Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:

- a) initiating a new policy;
- b) committing expenditure in future years to above the current budget level;
- c) incurring expenditure where no estimate or an inadequate estimate exists thereby giving rise to the necessity for [supplementary estimates](#) or [virements](#) above approved limits;
- d) causing the total expenditure financed from council tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.

### **4.3 Section 151 Officer (Chief Finance Officer)**

4.3.1 The Director of Resources is the Chief Finance Officer and has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from:

- a) Section 151 of the Local Government Act 1972;

- b) The Local Government Finance Act 1988;
- c) The Local Government and Housing Act 1989;
- d) The Accounts and Audit Regulations 2015;
- e) The Localism Act 2011.

4.3.2 The Section 151 Officer (Chief Finance Officer) is responsible for:

- a) the proper administration of the Council's financial affairs;
- b) setting and monitoring compliance with financial management standards;
- c) advising on the corporate financial position and on the key financial controls necessary to secure sound financial management;
- d) providing financial information;
- e) preparing the [revenue budget](#) and [capital programme](#);

Operational responsibility for these matters is assigned to the Director of Resources or Finance Manager (as Deputy S151 Officer for the authority).

4.3.3 Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer (Section 151 Officer) to report to the Council, Committees and external auditor if the Council, Committees or one of its officers or members:

- a) has made, or is about to make, a decision which involves incurring unlawful expenditure;
- b) has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council;
- c) is about to make an unlawful entry in the Council's accounts.

**Section 114 of the 1988 Act also requires:**

- d) the Chief Finance Officer to nominate a properly qualified member of staff to deputise should he/she be unable to perform the duties under section 114 personally;
- e) the Council to provide the Chief Finance Officer with sufficient staff, accommodation and other resources, including legal advice where this is necessary, to carry out the duties under section 114.

## 5. DIRECTORS

5.1 Directors are responsible for ensuring that Committees are advised of the financial implications of all proposals and that the financial implications have been agreed by the Director of Resources;

5.2 The Directors and the Head of Paid Service are responsible for signing contracts on behalf of the Council.

5.3 It is the responsibility of Directors and Committees to consult with the Director of Resources and Chief Executive and seek approval on any matter liable to affect the Council's finances, before any commitments are incurred.



**6. OTHER FINANCIAL ACCOUNTABILITIES**

**6.1 Virement**

6.1.1 The Council is responsible for agreeing procedures for revenue and capital virements of expenditure or income between budget headings.

6.1.2 Directors must consult the Director of Resources on all virements, (see [Appendix F](#))

**6.2 Treatment of year-end balances**

6.2.1 The Director of Resources is responsible for agreeing procedures for carrying forward under-spending on budget headings.

**6.3 Accounting policies**

6.3.1 The Director of Resources is responsible for selecting accounting policies and ensuring that they are applied consistently.

**6.4 Accounting records and returns**

6.4.1 The Director of Resources is responsible for determining the accounting procedures and records for the Council.

**6.5 The Annual Statement of Accounts**

6.5.1 The Director of Resources is responsible for ensuring that the annual Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Local Authority Accounting in the United Kingdom and that the annual accounts are published by the deadline set out in the Accounts and Audit Regulations each year. The Audit Committee is responsible for approving the annual Statement of Accounts.

## **b) Financial Planning**

### **1. INTRODUCTION**

- 1.1 The Council is responsible for agreeing the Council's policy framework, in particular the Corporate Plan. It is also responsible for agreeing the budget, the main framework of which will be proposed by the Finance & Corporate Services Committee. In terms of financial planning, the key elements are:

- a) the revenue budget;
- b) the medium term financial strategy (MTFS);
- c) the capital programme.

### **2. POLICY FRAMEWORK**

- 2.1 The policy framework comprises a number of statutory plans and strategies, which are set out in the Councils corporate governance arrangements.

- 2.2 The Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework and for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework. The Monitoring Officer or the Chief Executive, as appropriate, should refer decisions to the Council.

- 2.3 The Programme committees are responsible for taking in-year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Council.

#### **2.4 Preparation of the Corporate Plan**

- 2.4.1 The Chief Executive is responsible for proposing the Corporate Plan to the Council for approval.

### **3. BUDGETING**

#### **3.1 Budget format**

- 3.1.1 The general format of the budget will be approved by the Finance & Corporate Services Committee and the Council on the advice of the Director of Resources. The draft budget should include current approvals updated for inflation and volume changes, proposals for growth and savings, together with the proposed taxation level.

#### **3.2 Budget preparation**

- 3.2.1 The Director of Resources is responsible for ensuring that a revenue budget is prepared on an annual basis and a MTFS at least on a three-yearly basis for consideration by the Finance & Corporate Services Committee, before submission to the Council. The Council may amend the budget before approving it.

#### **3.3 Budget monitoring and control**

- 3.3.1 The Director of Resources is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He/she must monitor and control expenditure against budget allocations and report to the Finance & Corporate Services Committee on the overall position on a quarterly basis.

- 3.3.2 It is the responsibility of Directors to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Director of Resources. They should also take any action necessary to avoid exceeding their budget allocation and alert the Director of Resources to any problems.

**3.4 Resource allocation**

- 3.4.1 The Director of Resources is responsible for developing and maintaining a resource allocation process that ensures due consideration of the Council's strategic and financial planning process.

**3.5 Preparation of the Capital Strategy**

- 3.5.1 The Director of Resources is responsible for ensuring that the Capital Strategy and Capital Programme are prepared on an annual basis for consideration by the Finance & Corporate Services Committee before submission to the Council.

**3.6 Guidelines**

- 3.6.1 Guidelines on budget policies are issued to Directors by the Director of Resources following approval of the Finance & Corporate Services Committee. The guidelines will take account of:

- a) legal requirements;
- b) medium-term financial strategy;
- c) the Corporate Plan;
- d) available resources;
- e) spending pressures;
- f) other relevant guidelines issued by government or external audit;
- g) other internal policy documents;
- h) cross-cutting issues (where relevant);
- i) external partnerships.

**4. MAINTENANCE OF RESERVES**

- 4.1 It is the responsibility of the Director of Resources to advise the Finance & Corporate Services Committee on prudent levels of reserves for the Council.

## **c) Risk Management and Control of Resources**

### **1. INTRODUCTION**

- 1.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Council. This should include the proactive participation of all those associated with planning and delivering services.

### **2. RISK MANAGEMENT**

- 2.1 The Finance & Corporate Services Committees is responsible for approving the Council's Risk Management Policy. The Audit Committee is responsible for reviewing the effectiveness of risk management. The Finance & Corporate Services Committee is responsible for ensuring that proper insurance exists where appropriate.
- 2.2 The Director of Resources is responsible for preparing the Council's Risk Management Policy and for promoting it throughout the Council and is responsible for advising the Committees on proper insurance cover where appropriate.

### **3. INTERNAL CONTROL**

- 3.1 Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.
- 3.2 The Director of Resources is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, effectively and in accordance with the statutory and other authorities that govern their use.
- 3.3 It is the responsibility of Directors to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

### **4. AUDIT REQUIREMENTS**

- 4.1 The Accounts and Audit Regulations require every local Council to maintain an adequate and effective internal audit.
- 4.2 The Secretary of State for Communities and Local Government, via the Local Government Association has delegated the appointment of external auditors to each local authority to a body called Public Sector Audit Appointments Ltd (PSAA). The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by the Local Audit and Accountability Act 2014.
- 4.3 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenues and Customs, which have statutory rights of access.

### **5. PREVENTING FRAUD AND CORRUPTION**

- 5.1 The Director of Planning and Regulatory Services and Director of Resources are responsible for the development and maintenance of an Anti-Fraud and Anti-Corruption Policy respectively.

**6. ASSETS**

- 6.1 Directors should ensure that records of the Council's assets in excess of the limit set out in section 1.7 of **Appendix F** are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place. The Director of Resources should ensure that all assets above the specified value are properly recorded in the asset register.

**7. TREASURY MANAGEMENT**

- 7.1 The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.
- 7.2 The Finance & Corporate Services Committee is responsible for approving the treasury management policy and Treasury Management Practices (TMP's) setting out the matters detailed in CIPFA's Code of Practice for Treasury Management in Local Authorities. The Director of Resources has delegated responsibility for implementing and monitoring the TMP's.
- 7.3 All money in the hands of the Council is controlled by the officer designated for the purposes of section 151 of the Local Government Act 1972, referred to in the code as the Director of Resources.
- 7.4 Subject to the Council setting the overall borrowing limits in accordance with the Prudential Code, the day to day decisions on borrowing, investment or financing shall be delegated to the Director of Resources, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.

**8. STAFFING**

- 8.1 The Chief Executive is responsible for providing overall management to staff. He/she is also responsible for ensuring that there is proper use of evaluation or other agreed systems for determining the remuneration of a job.
- 8.2 Directors, in consultation with the Director of Resources, are responsible for controlling total staff numbers by:
- a) advising the Council on the budget necessary in any given year to cover estimated staffing levels;
  - b) adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs;
  - c) the proper use of appointment procedures.

**d) Systems and Procedures**

**1. INTRODUCTION**

- 1.1 Sound systems and procedures are essential to an effective framework of accountability and control.

**2. GENERAL**

- 2.1 The Director of Resources is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. The Director of Resources must determine any changes proposed by Directors to the existing financial systems or the establishment of new systems. However, Directors are responsible for the proper operation of financial processes in their own services.
- 2.2 Any changes to agreed procedures by Directors to meet their own specific service needs should be agreed with the Director of Resources.
- 2.3 The Director of Resources should ensure that all staff receive relevant financial training.
- 2.4 Directors must ensure that, where appropriate, computer and other systems are registered in accordance with Data Protection legislation. Directors must ensure that staff are aware of their responsibilities under freedom of information legislation.

**3. INCOME AND EXPENDITURE**

- 3.1 It is the responsibility of Directors to ensure that a proper scheme of delegation has been established within their area and that it is operating effectively. The scheme of delegation should identify in writing staff authorised to act on the Directors' behalf, or on behalf of the Council, in respect of payments, income collection and placing orders, together with the limits of their authority. The Finance & Corporate Services Committee is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

**4. PAYMENTS TO EMPLOYEES AND MEMBERS**

- 4.1 The Director of Resources is responsible for all payments of salaries and allowances to all staff, including payments for overtime, and for payment of allowances to Members.

**5. TAXATION**

- 5.1 The Director of Resources is responsible for advising Directors, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.
- 5.2 The Director of Resources is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

**6. TRADING ACCOUNTS**

- 6.1 It is the responsibility of the Director of Resources to advise on the establishment and operation of trading accounts.

**e) External Arrangements**

**1. INTRODUCTION**

- 1.1 The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social and environmental well-being of its area.

**2. PARTNERSHIPS**

- 2.1 The Programme committees are responsible for approving delegations, including frameworks for partnerships. The Programme committees are the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.
- 2.2 The Programme committees can delegate functions, including those relating to partnerships, to officers. These are set out in the scheme of delegation that forms part of the Council's corporate governance arrangements. Where functions are delegated, the Programme committees remain accountable for them to the Council.
- 2.3 The Director of Resources is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council.
- 2.4 The Director of Resources, in consultation with the Council's designated legal advisor, must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are robust and comply with best practices. He/she must also consider the overall corporate governance arrangements and in consultation with the designated legal advisor, legal issues when arranging contracts with external bodies. He/she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- 2.5 Programme committees are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

**3. EXTERNAL FUNDING**

- 3.1 The Director of Resources is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

## **A. FINANCIAL MANAGEMENT PROCEDURES**

### **A.1. FINANCIAL MANAGEMENT STANDARDS**

#### **1.1 Why is this important?**

- 1.1.1 All staff and Members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

#### **A.1.2 Key controls**

- 1.2.1 The key controls and control objectives for financial management standards are
- (a) their promotion throughout the Council;
  - (b) a monitoring system to review compliance with financial standards, and regular comparisons of performance indicators and benchmark standards that are reported to the Finance & Corporate Services and/or Overview & Scrutiny Committees.

#### **A.1.3 Responsibilities of the Director of Resources**

- 1.3.1 To ensure the proper administration of the financial affairs of the Council.
- 1.3.2 To set the financial management standards and to monitor compliance with them.
- 1.3.3 To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Council.
- 1.3.4 To advise on the key strategic controls necessary to secure sound financial management.
- 1.3.5 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

#### **A.1.4 Responsibilities of Directors**

- 1.4.1 To promote the financial management standards set by the Director of Resources in their service and to monitor adherence to the standards and practices.
- 1.4.2 To promote sound financial practices in relation to the standards, performance and development of staff in their departments.

### **A.2. MANAGING EXPENDITURE**

#### **2.1 Scheme of Virement**

##### **2.1.1 Why is this important?**

- 2.1.1.1 The scheme of virement is intended to enable the Finance & Corporate Services committee, Directors and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council, and therefore to optimise the use of resources.

#### **A.2.2 Key controls**



2.2.1 Key controls for the scheme of virement are:

- (a) it is administered by the Director of Resources within guidelines set by the Council. Any variation from this scheme requires the approval of the Council;
- (b) the overall budget is proposed by the Finance & Corporate Services Committee and approved by the Council. Directors and budget holders are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement (i.e. switching resources between approved budget headings of expenditure or income). For the purposes of this scheme, a budget heading is considered to be a line in the Budget Summary of the Budget Book;
- (c) virement does not create additional overall budget liability. Directors are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Directors must plan to fund such commitments from within their own budgets.

**A.2.3 Responsibilities of the Director of Resources**

- 2.3.1 To prepare jointly with the Directors, a report to the Finance & Corporate Services Committee where revenue and capital virements, between different directorates, in excess of specified financial limits, are proposed (see **Appendix F**).

**A.2.4 Responsibilities of Directors**

- 2.4.1 A Director, in consultation with the Director of Resources may exercise virement within the same directorate under his/her control for any amount. Virements between different directorates must be reported to the Finance & Corporate Services Committee. The authorisation limits are set out in **Appendix F**.
- 2.4.2 Amounts that require the approval of the Finance & Corporate Services Committee must specify the proposed expenditure and the source of funding, and must explain the implications in the current and future financial years.
- 2.4.3 Virement that is likely to impact on the level of service activity of another Director should be implemented only after agreement with the relevant Director.
- 2.4.4 No virement relating to a specific financial year should be made after 31 March in that year.
- 2.4.5 Where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that:
- a) the amount is used in accordance with the purposes for which it has been established;
  - b) the Finance & Corporate Services Committee has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Finance & Corporate Services Committee.
- 2.4.6 Virements are not permitted in relation to asset charges or other budget headings which are outside the control of the Directors or where a proposal would adversely affect long term revenue commitments.

**A.3. ACCOUNTING POLICIES**

**A.3.1 Why is this important?**

- 3.1.1 The Director of Resources is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices as set out in the format required by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom for each financial year ending 31 March.

**A.3.2 Key controls**

- 3.2.1 The key controls for accounting policies are:
- a) systems of internal control are in place which ensure that financial transactions are lawful;
  - b) suitable accounting policies are selected and applied consistently;
  - c) proper accounting records are maintained;
  - d) financial statements are prepared which present fairly the financial position of the Council and its expenditure and income.

**A.3.3 Responsibilities of the Director of Resources**

- 3.3.1 To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are set out in the Statement of Accounts, which is prepared at 31 March each year, and covers such items as:
- a) income and expenditure;
  - b) fixed assets;
  - c) treatment of leasing;
  - d) depreciation;
  - e) charges to revenue;
  - f) capital receipts;
  - g) debtors and creditors;
  - h) support services;
  - i) pensions;
  - j) government grants;
  - k) investments;
  - l) reserves.
  - m) stocks

**A.3.4 Responsibilities of Directors**

- 3.4.1 To adhere to the accounting policies and guidelines approved by the Director of Resources.

**A.4. ACCOUNTING RECORDS AND RETURNS**

**A.4.1 Why is this important?**

- 4.1.1 Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the Council's resources.

**A.4.2 Key controls**

4.2.1 The key controls for accounting records and returns are:

- a) all Committees, finance staff and budget managers operate within the required accounting standards and timetables;
- b) all the Council's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis;
- c) procedures are in place to enable accounting records to be reconstituted in the event of systems failure;
- d) reconciliation procedures are carried out to ensure transactions are correctly recorded;
- e) prime documents are retained in accordance with legislative and other requirements.

**A.4.3 Responsibilities of the Director of Resources**

4.3.1 To determine the accounting procedures and records for the Council. Where these are maintained outside his/her department, the Director of Resources should consult the Director concerned.

4.3.2 To arrange for the compilation of all accounts and accounting records under his/her direction.

4.3.3 To comply with the following principles when allocating accounting duties:

- a) separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums from the duty of collecting or disbursing them;
- b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

4.3.4 To make proper arrangements for the audit of the Council's accounts in accordance with the Accounts and Audit Regulations 2015.

4.3.5 To ensure that all claims for funds including grants are made by the due date.

4.3.6 To prepare and publish the audited accounts of the Council for each financial year, in accordance with the statutory timetable and with the requirement for the Audit Committee to approve the Statement of Accounts.

4.3.7 To administer arrangements for under-spending to be carried forward to the following financial year.

4.3.8 To ensure the proper retention of financial documents in accordance with the requirements set out in the Council's document retention guidelines.

**A.4.4 Responsibilities of Directors**

4.4.1 To consult and obtain the approval of the Director of Resources before making any changes to accounting records and procedures.

4.4.2 To maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements.

- 4.4.3 To supply information required to enable the Statement of Accounts to be completed in accordance with guidelines issued by the Director of Resources.

**A.5. THE ANNUAL STATEMENT OF ACCOUNTS**

**A.5.1 Why is this important?**

- 5.1.1 The Council has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The Audit Committee is responsible for approving the statutory annual Statement of Accounts.

**A.5.2 Key controls**

- 5.2.1 The key controls for the annual Statement of Accounts are:
- a) the Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this Council, that officer is the Director of Resources (Section 151 Officer);
  - b) the Council's Statement of Accounts must be prepared in accordance with proper practices as set out in the latest CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

**A.5.3 Responsibilities of the Director of Resources**

- 5.3.1 To sign and date the Statement of Accounts, stating that it presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March.
- 5.3.2 To select suitable accounting policies and to apply them consistently.
- 5.3.3 To make judgements and estimates that are reasonable and prudent.
- 5.3.4 To comply with the latest accounting Code of Practice.
- 5.3.5 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

**A.5.4 Responsibilities of Directors**

- 5.4.1 To comply with accounting guidance provided by the Director of Resources and to supply him/her with information when required.

## **B. FINANCIAL PLANNING**

### **B.1. PERFORMANCE PLANS**

#### **B.1.1 Why is this important?**

- 1.1.1 The purpose of performance plans is to explain overall priorities and objectives, current performance, and proposals for further improvement.

#### **B.1.2 Key controls**

- 1.2.1 The key controls for performance plans are:
- (a) to meet the timetables set;
  - (b) to ensure that all performance information is accurate, complete and up to date;
  - (c) to provide improvement targets which are meaningful, realistic and challenging.

#### **B.1.3 Responsibilities of the Director of Resources**

- 1.3.1 To contribute to the development of corporate and service targets and objectives and performance information.
- 1.3.2 To ensure that corporate systems are in place to measure activity and collect accurate information for use as performance indicators.
- 1.3.3 To ensure that performance information is collected and monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.

#### **B.1.4 Responsibilities of Directors**

- 1.4.1 To contribute to the development of performance plans in line with statutory requirements.
- 1.4.2 To contribute to the development of corporate and service targets and objectives and performance information.
- 1.4.3 To ensure that systems are in place within their service area to measure activity and collect accurate information for use as performance indicators.
- 1.4.4 To ensure that performance information is collected and monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.

### **B.2. BUDGETING**

#### **B.2.1 Format of the budget**

##### **2.1.1 Why is this important?**

- 2.1.1.1 The structure of the budget determines the level of detail to which financial control and management will be exercised. The structure shapes how the rules around virement operate, the operation of financial limits and sets the level at which funds may be reallocated within budgets.

#### **B.2.2 Key controls**

- 2.2.1 The key controls for the budget structure are:

- a) the structure complies with all legal requirements;
- b) the structure reflects the accountabilities of service delivery.

### **B.2.3 Responsibilities of Directors**

- 2.3.1 To comply with accounting guidance provided by the Director of Resources.

### **B.2.4 Revenue budget preparation, monitoring and control**

#### **2.4.1 Why is this important?**

- 2.4.1.1 Budget management ensures that once the budget has been approved by the Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account, managers responsible for defined elements of the budget.
- 2.4.1.2 By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual financial limit, approved when setting the overall budget. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the budget allocated to it.
- 2.4.1.3 For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service or policy area. However, budgetary control may take place at a more detailed level if this is required by the Directors scheme of delegation or by the Council.

### **B.2.5 Key controls**

- 2.5.1 The key controls for managing and controlling the revenue budget are:
  - a) budget managers should be responsible only for income and expenditure that they can influence;
  - b) there is only one nominated budget manager for each budget area;
  - c) budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities;
  - d) budget managers follow an approved certification process for all expenditure;
  - e) income and expenditure are properly recorded and accounted for;
  - f) performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget;
  - g) Managers should supervise the financial management of those reporting to them.

### **B.2.6 Responsibilities of the Director of Resources**

- 2.6.1 To establish an appropriate framework of budgetary management and control that ensures that:
  - a) budget management is exercised within annual financial limits unless the Council agrees otherwise;

- b) each Manager has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;
- c) all officers responsible for committing expenditure comply with relevant guidance, and the financial regulations;
- d) each directly controllable cost centre has a single named manager, determined by the relevant Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making process that commits expenditure;
- e) significant variances from approved budgets are investigated and reported by budget managers regularly.

2.6.2 To administer the Council's scheme of virement.

2.6.3 To submit reports to the Finance & Corporate Services Committee and to the Council, in consultation with the relevant Director, where a Director is unable to balance expenditure and resources within existing approved budgets under his/her control.

2.6.4 To prepare and submit reports on the Council's projected income and expenditure compared with the budget on a quarterly basis.

2.6.5 To approve fees and charges where the budgeted income is less than or equal to £2,000.

#### **B.2.7 Responsibilities of Directors**

2.7.1 To maintain budgetary control within their services, in adherence to the principles in 2.6.1, and to ensure that all income and expenditure is properly recorded and accounted for.

2.7.2 To ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.

2.7.3 To ensure that spending remains within the service's overall financial limit, and that individual budget headings are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.

2.7.4 To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and that it is operating effectively.

2.7.5 To ensure prior approval by the Council or Programme committees (as appropriate) for new proposals, of whatever amount, that:

- a) create financial commitments in the current or future years;
- b) change existing policies, initiate new policies or cease existing policies;
- c) materially extend or reduce the Council's services.

2.7.6 To ensure compliance with the scheme of virement.

2.7.7 To agree with the relevant Director where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or another Director's level of service activity.

**B.2.8 Budgets and the Medium-Term Financial Strategy (MTFS)**

**2.8.1 Why is this important?**

- 2.8.1.1 The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Council's plans and policies.
- 2.8.1.2 A report on new proposals should explain the full financial implications, following consultation with the Director of Resources. Unless the Council or Finance & Corporate Services Committee has agreed otherwise, Directors must plan to contain the financial implications of such proposals within the relevant financial limit.
- 2.8.1.3 The revenue budget must be constructed so as to ensure that resource allocation properly reflects the business plans and priorities of the Council. Budgets (spending plans) are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for a Council to budget for a deficit.
- 2.8.1.4 The annual strategic and financial planning process involves a cycle in which Directors develop their own plans for submission to the relevant Committee. As each year passes, another future year will be added to the MTFS. This ensures that the Council is always preparing for events in advance.

**B.2.9 Key controls**

- 2.9.1 The key controls for budgets and the MTFS are:
  - a) specific budget approval for all expenditure;
  - b) budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Council for their budgets and the level of service to be delivered;
  - c) a monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.

**B.2.10 Responsibilities of the Director of Resources**

- 2.10.1 To prepare and submit reports on budget prospects to the Finance & Corporate Services Committee including resource constraints set by the Government. Reports should take account of medium-term prospects, where appropriate.
- 2.10.2 To determine the detailed form of revenue estimates and the methods for their preparation.
- 2.10.3 To advise on the medium-term implications of spending decisions.
- 2.10.4 To encourage the best use of resources and value for money by working with Directors to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.
- 2.10.5 To advise the Council on proposals in accordance with his/her responsibilities under section 151 of the Local Government Act 1972.



**B.2.11 Responsibilities of Directors**

- 2.11.1 To prepare estimates of income and expenditure, in consultation with the Director of Resources.
- 2.11.2 To prepare budgets that are consistent with any relevant financial limits, with the Council's annual budget cycle and with guidelines issued by the Director of Resources.
- 2.11.3 To integrate financial and budget plans into business planning, so that budget plans can be supported by financial and non-financial performance measures.
- 2.11.4 In consultation with the Director of Resources and in accordance with the laid-down guidance and timetable, to prepare detailed draft revenue and capital budgets for consideration by the Finance & Corporate Services Committee.
- 2.11.5 When drawing up draft budget requirements, to have regard to:
  - a) spending patterns and pressures revealed through the budget monitoring process;
  - b) legal requirements;
  - c) requirements as defined by the Council in the Strategic and Financial Policy Process;
  - d) initiatives already under way and any new service requirements that are likely to require funding within the financial year in question.

**B.2.12 Resource allocation**

**2.12.1 Why is this important?**

- 2.12.1.1 A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfil need/desire. It is therefore imperative that needs/desires are carefully prioritised, taking account of the Council's legal responsibilities and that resources are allocated to meet the urgent priorities. Resources may include staff, money, equipment, goods and materials.

**B.2.13 Key controls**

- 2.13.1 The key controls for resource allocation are:
  - a) resources are acquired in accordance with the law and allocated using an approved authorisation process;
  - b) resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for;
  - c) resources are securely held for use when required;
  - d) resources are used in the most efficient manner.

**B.2.14 Responsibilities of the Director of Resources**

- 2.14.1 To coordinate the Strategic and Financial Planning process to ensure that resources are devoted to the Council's stated priorities.
- 2.14.2 To advise on methods available for the funding of expenditure plans.

**B.2.15 Responsibilities of Directors**

- 2.15.1 To deliver the Council's key objectives within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective and economic way.
- 2.15.2 To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

**B.2.16 Capital programmes**

**2.16.1 Why is this important?**

- 2.16.1.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.
- 2.16.1.2 The Government controls the financing capacity of the Council through the CIPFA Prudential Code. This means that capital expenditure should be integrated into the Council's Treasury Management Strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

**B.2.17 Key controls**

- 2.17.1 The key controls for capital programmes are:
  - a) the development and implementation of asset management plans;
  - b) specific approval by the Council for the programme of capital expenditure;
  - c) a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the Finance & Corporate Services Committee;
  - d) proposals for improvements and alterations to buildings must be approved by the relevant Director;
  - e) accountability for each capital project is accepted by a named manager;
  - f) monitoring of progress in conjunction with expenditure and comparison with approved budget;
  - g) capital spending plans are to be in line with the approved Capital Strategy.

**B.2.18 Responsibilities of the Director of Resources**

- 2.18.1 To prepare the capital programme and estimates jointly with Directors and to report them to the Finance & Corporate Services Committee for approval. The Finance & Corporate Services Committee will make recommendations on the capital programme and on any associated financing requirements to the Council.
- 2.18.2 To prepare and submit reports jointly with the officers defined as accountable for capital projects to the Finance & Corporate Services Committee on the progress of the capital programme compared with the approved estimates.
- 2.18.3 Having regard to regulations determine the definition of 'capital'.

**B.2.19 Responsibilities of Directors**

- 2.19.1 To comply with guidance concerning capital schemes and controls issued by the Director of Resources.
- 2.19.2 To prepare and submit quarterly reports jointly with the Director of Resources to the Finance & Corporate Services Committee on the progress of the capital programme compared with the approved estimates.
- 2.19.3 To prepare regular reports reviewing the capital programme provisions for their services. In consultation with the Director of Resources, to obtain authorisation from the Finance & Corporate Services Committee and/or the Council for individual schemes where the estimated expenditure exceeds the capital programme provision by more than a specified amount (see **Appendix F**).
- 2.19.4 To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Director of Resources.
- 2.19.5 To ensure that adequate records are maintained for all capital contracts.
- 2.19.6 To proceed with projects only when there is adequate provision in the capital programme.
- 2.19.7 To prepare and submit reports, jointly with the Director of Resources, to the Programme committees, of any increase in contract costs in excess of the approved scheme and estimate, unless the excess can be met by virement from elsewhere within the capital programme. The authorisation limits for capital virements are set out in **Appendix F**.
- 2.19.8 To prepare and submit reports, jointly with the Director of Resources, to the Programme committees, where it appears that the final cost of a revenue or capital contract will exceed the approved contract sum by more than a specified financial limit (see **Appendix F**).
- 2.19.9 No leasing arrangements as defined by the Director of Resources shall be entered into without prior approval.

**B.3. MAINTENANCE OF RESERVES**

**B.3.1 Why is this important?**

- 3.1.1 The Council must decide the level of general reserves it wishes to maintain before it can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the Council to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items.

**B.3.2 Key controls**

- 3.2.1 To maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and agreed accounting policies.
- 3.2.2 For each reserve established, the purpose, usage and basis of transactions should be clearly identified and approved by the Finance & Corporate Services Committee.

**B.3.3 Responsibilities of the Director of Resources**

- 3.3.1 To advise the Finance & Corporate Services Committee and/or the Council on prudent levels of reserves for the Council.

**B.3.4 Responsibilities of Directors**

- 3.4.1 To ensure that resources are used only for the purposes for which they were intended.

## **C. RISK MANAGEMENT AND CONTROL OF RESOURCES**

### **C.1. RISK MANAGEMENT**

#### **C.1.1 Why is this important?**

- 1.1.1 All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an integral part of good business practice. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.
- 1.1.2 It is the overall responsibility of the Council to approve the Council's risk management strategy, and to promote a culture of risk management awareness throughout the Council.

#### **C.1.2 Key controls**

- 1.2.1 The key controls for risk management are:
- a) procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the Council;
  - b) a monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls;
  - c) managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives;
  - d) provision is made for losses that might result from the risks that remain;
  - e) procedures are in place to investigate claims within required timescales
  - f) acceptable levels of risk are determined and insured against where appropriate;
  - g) the Council has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

#### **C.1.3 Responsibilities of the Director of Resources**

- 1.3.1 To prepare and promote the Council's Risk Management Policy.
- 1.3.2 To develop risk management controls in conjunction with Directors.

#### **C.1.4 Responsibilities of the Director of Resources**

- 1.4.1 To include all appropriate employees of the Council in a suitable fidelity guarantee insurance.
- 1.4.2 To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.

**C.1.5 Responsibilities of Directors**

- 1.5.1 To notify the Director of Resources immediately of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the Council's insurers.
- 1.5.2 To take responsibility for risk management, having regard to advice from the Director of Resources and other specialist officers (e.g. fire prevention, health and safety).
- 1.5.3 To ensure that there are regular reviews of risk within their Service.
- 1.5.4 To notify the Director of Resources promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.
- 1.5.5 To consult the Director of Resources and the Council's legal advisors on the terms of any indemnity that the authority is requested to give.
- 1.5.6 To ensure those employees, or anyone covered by the Council's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

**C.2. INTERNAL CONTROLS**

**C.2.1 Why is this important?**

- 2.1.1 The Council is complex and beyond the direct control of a single individual. It therefore requires internal controls to manage and monitor progress towards strategic objectives.
- 2.1.2 The Council has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.
- 2.1.3 The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.
- 2.1.4 The system of internal controls is established in order to provide measurable achievement of:
  - a) efficient and effective operations;
  - b) reliable financial information and reporting;
  - c) compliance with laws and regulations;
  - d) risk management.

**C.2.2 Key controls**

- 2.2.1 The key controls and control objectives for internal control systems are:
  - a) key controls should be reviewed on a regular basis;
  - b) managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities;

- c) financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems;
- d) an effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guideline Guidance for Internal Auditors, CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom and with any other statutory obligations and regulations.

### **C.2.3 Responsibilities of the Director of Resources**

- 2.3.1 To assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

### **C.2.4 Responsibilities of Directors**

- 2.4.1 To manage processes to check that established controls are understood and being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.
- 2.4.2 To review existing controls in the light of changes affecting the Council and to establish and implement new ones in line with guidance from the Director of Resources. Directors should also be responsible, after consultation with the Director of Resources, for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.

## **C.3. AUDIT REQUIREMENTS**

### **C.3.1 Internal audit**

#### **3.1.1 Why is this important?**

- 3.1.1.1 The Accounts and Audit Regulations 2015 (para 5) require that a “relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.
- 3.1.1.2 Internal Audit must be seen as independent. This is achieved through operating within a framework that allows unrestricted access to senior management, reporting in its own name and segregation as far as practical from line operations. The function reports directly to the Director of Resources (also the officer designated under Section 151 of the Local Government Act 1972 as responsible for ensuring the proper administration of the Authority's financial affairs). Internal Audit also reports directly to the Audit Committee.

### **C.3.2 Key controls**

- 3.2.1 The key controls for internal audit are:
  - a) that it is independent in its planning and operation;
  - b) the Audit Manager has direct access to the Chief Executive, Director of Resources, all levels of management and directly to elected Members;

- c) Internal Auditors work towards complying with the UK Public Sector Internal Audit Standards (PSIAS), and effort is made to preserve objectivity by ensuring staff are free from conflicts of interest. Therefore as far as is practical, Internal Audit will not participate in the day to day operation of any systems of internal financial control.

### **C.3.3 Responsibilities of the Director of Resources**

- 3.3.1 To ensure that internal auditors have the authority to:
  - a) access Council premises at reasonable times;
  - b) access all assets, records, documents, correspondence and control systems ;
  - c) receive any information and explanation considered necessary concerning any matter under consideration;
  - d) require any employee of the Council to account for cash, materials or any other asset under his/her control;
  - e) access records belonging to third parties, such as contractors, when required;
  - f) obtain direct access to the Finance & Corporate Services Committee and the Audit Committee.
- 3.3.2 To approve the annual audit plans, prepared by the Audit Manager, and present to the Audit Committee for their approval.
- 3.3.3 To prepare terms of reference for the internal audit function, for approval by the Audit Committee.
- 3.3.4 To ensure that effective procedures are in place to investigate promptly any fraud or irregularity.

### **C.3.4 Responsibilities of Directors**

- 3.4.1 To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.
- 3.4.2 To ensure that auditors are provided with any information and explanations that they seek in the course of their work.
- 3.4.3 To respond to internal and external audit reports in writing, within a timescale agreed by the appropriate Director and the Director of Resources or External Auditor, detailing the action intended to address any recommendations.
- 3.4.4 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- 3.4.5 To ensure that their staff report any suspicion of fraud, corruption or other financial irregularity in respect of Council funds, either directly, or via the Directors to the Director of Resources for investigation.
- 3.4.6 The Director of Resources must then arrange for appropriate investigation of the matter. The relevant Director must agree any further investigative action with the Director of Resources before proceeding.



- 3.4.7 The Director of Resources, in consultation with the relevant Director, the Monitoring Officer and the Chief Executive will advise whether any matter should be referred to the police for further investigation.
- 3.4.8 To ensure that the Director of Resources is given an opportunity, in a timely manner before live operation, to evaluate the adequacy of new systems for maintaining financial records, or records of assets, or changes to such systems.

### **C.3.5 External audit**

#### **3.5.1 Why is this important?**

- 3.5.1.1 Under Schedule 1 of the Local Audit and Accountability Act 2014 all contracts for audit and related services, previously let by the Audit Commission, were transferred to Public Sector Audit Appointments Ltd on 1 April 2015. The external auditor has rights of access to all documents and information necessary for audit purposes (para 22 2014 Act).
- 3.5.1.2 The general duties of the external auditor are defined in the Local Audit and Accountability Act 2014 (para 20) and the Local Government Act 1999. In particular, Schedule 6 of the 2014 Act sets out that the Comptroller & Auditor General is responsible for preparing a code of audit practice, which external auditors follow when carrying out their duties. Schedule 1 of the code of audit practice sets out the auditor's statutory responsibilities across 3 main headings:
- a) Audit Scope;
  - b) Reporting;
  - c) Additional powers and duties.
- 3.5.1.3 The Council's accounts are scrutinised by external auditors, who must be satisfied that the Statement of Accounts 'presents a true and fair view' (Para 20 2014 Act) of the financial position of the Council and its income and expenditure for the year in question and complies with the legal requirements.

### **C.3.6 Key controls**

- 3.6.1 External auditors were initially appointed by Public Sector Audit Appointments Ltd, however subsequent appointments are to be made by the Local Authority for a maximum period of five years. The Comptroller & Auditor General (National Audit Office) prepares the code of audit practice, which external auditors follow when carrying out their audits.

### **C.3.7 Responsibilities of the Director of Resources**

- 3.7.1 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work.
- 3.7.2 To work with the external auditor and advise the Council, and Directors on their responsibilities in relation to external audit.
- 3.7.3 To ensure there is effective liaison between external and internal audit.

### **C.3.8 Responsibilities of Directors**

- 3.8.1 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.
- 3.8.2 To ensure that all records and systems are up to date and available for inspection.

#### **C.4. PREVENTING FRAUD AND CORRUPTION**

##### **C.4.1 Why is it this important?**

- 4.1.1 The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Council.
- 4.1.2 The Council's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 4.1.3 The Council also expects that individuals and organisations (e.g. suppliers, contractors, service providers) with whom it comes into contact will act towards the Council with integrity and without thought of or actions involving fraud and corruption. It must guard against the possibility that these expectations will not be fulfilled in all respects.

##### **C.4.2 Key controls**

- 4.2.1 The key controls regarding the prevention of financial irregularities are that:
- a) the Council has an effective Anti-Fraud and Anti-Corruption Policy and maintains a culture that will not tolerate fraud or corruption;
  - b) all Members and staff act with integrity and lead by example as per the relevant Code of Conduct;
  - c) Managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Council or who are corrupt;
  - d) high standards of conduct are promoted amongst Members by the standards committee;
  - e) the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded;
  - f) "whistle blowing" procedures are in place and operate effectively;
  - g) legislation including the Public Interest Disclosure Act 1998 is adhered to.

##### **C.4.3 Responsibilities of the Director of Planning and Regulatory Services**

- 4.3.1 To maintain and review an Anti-Fraud Policy.

##### **C.4.4 Responsibilities of the Director of Resources**

- 4.4.1 To maintain and review an Anti-Corruption Policy
- 4.4.2 To maintain adequate and effective internal control arrangements.
- 4.4.3 To ensure that all suspected irregularities are investigated and all proven irregularities reported to the Chief Executive.

**C.4.5 Responsibilities of Directors**

- 4.5.1 To ensure that all suspected irregularities are reported to the Director of Resources
- 4.5.2 To instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- 4.5.3 To ensure that where financial impropriety is discovered, the Director of Resources is informed. Where sufficient evidence exists to believe that a criminal offence may have been committed, after consultation with the Director of Resources, relevant Director and Chief Executive, to ensure that the Police are called in.

**C.4.6 Responsibility of the Monitoring Officer**

- 4.6.1 To maintain a register of interests.

**C.5. ASSETS**

**C.5.1 Security**

**5.1.1 Why is this important?**

- 5.1.1.1 The Council holds assets in the form of property, vehicles, equipment, furniture and other items worth millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

**C.5.2 Key controls**

- 5.2.1 The key controls for the security of resources such as land, buildings, fixed plant machinery, equipment, software and information are:
  - a) resources are used only for the purposes of the Council and are properly accounted for;
  - b) resources are available for use when required;
  - c) resources no longer required are disposed of in accordance with the law and the regulations of the Council so as to maximise benefits;
  - d) an asset register is maintained for the Council, assets are recorded when they are acquired by the Council and this record is updated as changes occur with respect to the location, value and condition of the asset;
  - e) all staff are aware of their responsibilities with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Act and software copyright legislation;
  - f) all staff are aware of their responsibilities with regard to safeguarding the security of the Council's Information Communication Technology (ICT) Systems, including maintaining restricted access to the information held on them and compliance with the Council's Information Communication Technology and internet security policies.

**C.5.3 Responsibilities of the Director of Resources**

- 5.3.1 To ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of a specified financial limit (see **Appendix F**). The function of the asset register is to provide the Council with information about fixed assets so that they are:
- a) safeguarded;
  - b) used efficiently and effectively;
  - c) adequately maintained.
- 5.3.2 To receive the information required for accounting, costing and financial records from each Director.
- 5.3.3 To ensure that assets are valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

#### **C.5.4 Responsibilities of Directors**

- 5.4.1 A property database shall be maintained by the Director of Resources for all properties, plant and machinery and moveable assets currently owned or used by the Council subject to the minimum values specified in **Appendix F**. Any use of property by a service other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.
- 5.4.2 To ensure that lessees and other prospective occupiers of council owned land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the Council's legal advisor, has been established.
- 5.4.3 To ensure the proper security of all buildings and other assets under their control in accordance with laid down guidelines.
- 5.4.4 Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the Director and the Director of Resources (see **Appendix F**).
- 5.4.5 To pass title deeds to the Monitoring Officer who is responsible for maintaining the central repository of all title deeds.
- 5.4.6 To ensure that no Council asset is subject to personal use by a Member or employee without prior agreement of the relevant Director.
- 5.4.7 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Council.
- 5.4.8 To ensure that an inventory is maintained of moveable assets (subject to limits in **Appendix F**) in accordance with arrangements defined by the Corporate Leadership Team.
- 5.4.9 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- 5.4.10 To consult the Director of Resources in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 5.4.11 To ensure cash holdings on premises are kept to a minimum.

- 5.4.12 To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the Director of Resources as soon as possible.
- 5.4.13 To record all disposals or part exchange of assets that should normally be by competitive tender or public auction in accordance with ***Contract Procedure Rules***, unless, the Finance & Corporate Services Committee agrees otherwise.
- 5.4.14 To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Council in some way.
- 5.4.15 To maintain inventories and record an adequate description of furniture, fittings, equipment, plant and machinery above a specified financial limit in value (see **Appendix F**).
- 5.4.16 To carry out an annual check of all items on the inventory in order to verify location and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers and cameras should be identified with security markings as belonging to the Council.
- 5.4.17 To make sure that property is only used in the course of the Council's business, unless the Director concerned has given permission otherwise.

## **C.5.5 Asset disposal**

### **5.5.1 Why is this important?**

- 5.5.1.1 It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the regulations of the Council.

## **C.5.6 Key controls**

- 5.6.1 Assets for disposal are identified and are disposed of at the most appropriate time, and only when it is in the best interests of the Council, and best price is obtained in accordance with ***Contract Procedure Rules*** and bearing in mind other factors, such as environmental issues.
- 5.6.2 Procedures protect staff involved in the disposal from accusations of personal gain.

## **C.5.7 Responsibilities of the Director of Resources**

- 5.7.1 To issue advice on disposal in accordance with ***Contract Procedure Rules***.
- 5.7.2 To ensure appropriate accounting entries are made to remove the value of disposed assets from the Council's records and to include the sale proceeds if appropriate.

## **C.6. TREASURY MANAGEMENT**

### **C.6.1 Why is this important?**

- 6.1.1 Millions of pounds pass through the Council's accounts each year. This requires the establishment of codes of practice. These aim to provide assurances that the Council's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the Council's investment.

**C.6.2 Key controls**

- 6.2.1 That the Council's borrowings and investments comply with the CIPFA Code of Practice on Treasury Management and with the Council's treasury management practices (TMP's).
- 6.2.2 That the Finance & Corporate Services Committee receives reports on Treasury activity at least twice a year in accordance with the code of practice and that the Treasury Management Strategy is subject to annual scrutiny before it is agreed.

**C.6.3 Responsibilities of Director of Resources – treasury management and banking**

- 6.3.1 To arrange the borrowing and investments of the Council in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the Council's treasury management practices and strategy.
- 6.3.2 To prepare reports for the consideration of the Finance & Corporate Services and Overview & Scrutiny Committees.
- 6.3.3 To operate bank accounts as are considered necessary – opening or closing any bank account shall require the written approval of the Director of Resources in accordance with the Banking Mandate (**Appendix G**).

**C.6.4 Responsibilities of Directors – treasury management and banking**

- 6.4.1 To follow the instructions on banking issued by the Director of Resources.

**C.6.5 Responsibilities of Director of Resources – investments and borrowing**

- 6.5.1 To ensure that all investments of money are made in the name of the Council.
- 6.5.2 To ensure that all securities that are the property of the Council and the title deeds of all property in the Council's ownership are held in the custody of the Monitoring Officer or under arrangements approved by the Director of Resources.
- 6.5.3 To effect all borrowings in the name of the Council.
- 6.5.4 To maintain records of all borrowing of money by the Council.

**C.6.6 Responsibilities of Directors – investments and borrowing**

- 6.6.1 To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Council.

**C.6.7 Responsibilities of Directors – funds held for third parties**

- 6.7.1 To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Director of Resources, and to maintain written records of all transactions.

**C.6.8 Responsibilities of the Director of Resources – imprest accounts**

- 6.8.1 To provide employees of the Council with cash imprest accounts to meet minor expenditure on behalf of the Council and to prescribe rules for operating these accounts. Minor items of expenditure should not exceed the prescribed amount.
- 6.8.2 To determine the petty cash limit and to maintain a record of all transactions and petty cash advances made, and periodically to review the arrangements for the safe custody and control of these advances.
- 6.8.3 To reimburse imprest holders, as often as necessary, to restore the imprests.

**C.6.9 Responsibilities of Directors – imprest accounts**

- 6.9.1 To ensure that employees operating an imprest account:
  - a) obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained;
  - b) make adequate arrangements for the safe custody of the account;
  - c) produce upon demand by the Director of Resources cash and all vouchers to the total value of the imprest amount;
  - d) record transactions promptly;
  - e) reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder;
  - f) provide the Director of Resources with a certificate of the value of the account held at 31 March each year;
  - g) ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made.

**C.7. STAFFING**

**C.7.1 Why is this important?**

- 7.1.1 In order to provide the highest level of service, it is crucial that the Council recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.

**C.7.2 Key controls**

- 7.2.1 The key controls for staffing are:
  - a) procedures are in place for forecasting staffing requirements and cost;
  - b) controls are implemented to ensure that staff time is used efficiently and to the benefit of the Council;
  - c) checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced, lawfully resident and trustworthy.

**C.7.3 Responsibilities of the Director of Resources**

- 7.3.1 To act as an advisor to Directors on areas such as Income Tax, National Insurance and pension contributions, as appropriate.
- 7.3.2 To ensure that staff costs are charged accurately to allow Directors to monitor staffing budgets effectively.

**C.7.4 Responsibilities of Directors**

- 7.4.1 To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.
- 7.4.2 To ensure that the staffing budget is not exceeded without due authority and that it is managed to enable the agreed level of service to be provided.
- 7.4.3 To ensure that the Director of Resources is immediately informed if the staffing budget is likely to be materially over- or under-spent.



**D. FINANCIAL SYSTEMS AND PROCEDURES**

**D.1. GENERAL**

**D.1.1 Why is this important?**

1.1.1 Services have systems and procedures relating to the control of the Council's assets. Services are reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.

1.1.2 The Director of Resources is responsible for ensuring that the authority's financial systems are sound and should therefore be notified of any new developments or changes.

**D.1.2 Key controls**

1.2.1 The key controls for systems and procedures are:

- a) basic data exists to enable the Council's objectives, targets, budgets and plans to be formulated;
- b) performance is communicated to the appropriate managers on an accurate, complete and timely basis;
- c) early warning is provided of deviations from target, plans and budgets that require management attention;
- d) operating systems and procedures are secure.

**D.1.3 Responsibilities of the Director of Resources**

1.3.1 To make arrangements for the proper administration of the Council's financial affairs, including to:

- a) issue advice, guidance and procedures for officers and others acting on the Council's behalf;
- b) determine the accounting systems, form of accounts and supporting financial records;
- c) establish arrangements for audit of the Council's financial affairs;
- d) approve any new financial systems to be introduced;
- e) approve any changes to be made to existing financial systems.

1.3.2 To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.

1.3.3 To ensure that, where appropriate, computer systems are registered in accordance with Data Protection legislation and that staff are aware of their responsibilities under the legislation.

**D.1.4 Responsibilities of Directors**

1.4.1 To ensure that accounting records are properly maintained and held securely.

1.4.2 To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Director of Resources.

- 1.4.3 To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.
- 1.4.4 To incorporate appropriate controls to ensure that, where relevant:
  - a) all input is genuine, complete, accurate, timely and not previously processed;
  - b) all processing is carried out in an accurate, complete and timely manner;
  - c) output from the system is complete, accurate and timely.
- 1.4.5 To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.
- 1.4.6 To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- 1.4.7 To ensure that systems are documented and staff trained in operations.
- 1.4.8 To consult with the Director of Resources before changing any existing system or introducing new systems.
- 1.4.9 In consultation with the Director of Resources to establish a scheme of delegation identifying officers authorised to act upon the Directors behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- 1.4.10 To supply lists of authorised officers, with specimen signatures and delegated limits, to the Director of Resources, together with any subsequent variations.
- 1.4.11 To ensure that relevant standards and guidelines for ICT systems issued by the Director of Resources or IT Manager are observed.
- 1.4.12 To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.
- 1.4.13 To comply with the copyright, designs and patents legislation and, in particular, to ensure that:
  - a) only software legally acquired and installed by the Council is used on its computers;
  - b) staff are aware of legislative provisions;
  - c) in developing systems, due regard is given to the issue of intellectual property rights.

## **D.2. INCOME AND EXPENDITURE**

### **D.2.1 Income**

#### **2.1.1 Why is this important?**

- 2.1.1.1 Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Council's cash-flow and also avoids the time and cost of administering debts.

### **D.2.2 Key controls**

- 2.2.1 The key controls for income are:

- a) all income due to the Council is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed;
- b) all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery;
- c) all money received by an employee on behalf of the Council is paid in without delay through the Council's payment facility, as the Director of Resources directs, to the Council's bank account, and properly recorded. The responsibility for cash collection should be separated from that:
  - i. for identifying the amount due
  - ii. for reconciling the amount due to the amount received
- d) effective action is taken to pursue non-payment within defined timescales;
- e) formal approval for debt write-off is obtained;
- f) appropriate write-off action is taken within defined timescales;
- g) appropriate accounting adjustments are made following write-off action;
- h) all appropriate income documents are retained and stored for the defined period in accordance with the document retention guidelines;
- i) money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

### **D.2.3 Responsibilities of the Director of Resources**

- 2.3.1 To agree arrangements for the collection of all income due to the Council and to approve the procedures, systems and documentation for its collection.
- 2.3.2 To approve all debts to be written off in consultation with the relevant Director and to keep a record of all sums written off up to the approved limit and to adhere to the requirements of the Accounts and Audit Regulations 2015.
- 2.3.3 To obtain the approval of the Finance & Corporate Services Committee in consultation with the relevant Director for writing off debts in excess of a specified financial limit (see **Appendix F**)
- 2.3.4 To ensure that appropriate accounting adjustments are made following write-off action.
- 2.3.5 To order and supply to services all receipt forms, books or tickets and similar items and to satisfy himself/herself regarding the arrangements for their control.

### **D.2.4 Responsibilities of Directors**

- 2.4.1 To implement the charging policy for the supply of goods or services, including the appropriate charging of VAT (in consultation with the Director of Resources where appropriate), and to review it regularly, in line with corporate policies.
- 2.4.2 To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- 2.4.3 To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- 2.4.4 To issue official receipts or to maintain other documentation for income collection.

- 2.4.5 To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- 2.4.6 To hold securely receipts, tickets and other records of income for the appropriate period in accordance with the documentation retention policy.
- 2.4.7 To secure all income to safeguard against loss or theft, and to ensure the security of cash handling.
- 2.4.8 To ensure that income is paid fully and promptly into the appropriate Council bank account in the form in which it is received. Appropriate details should be recorded on paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a regular basis.
- 2.4.9 To ensure personal cheques or other payments are not en-cashed.
- 2.4.10 To supply the Director of Resources with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Director of Resources to record correctly the sums due to the Council and to ensure accounts are sent out promptly. Directors have a responsibility to assist the Director of Resources in collecting debts that they have originated, by providing any further information requested about the debtor, and in pursuing the matter on the Council's behalf.
- 2.4.11 To notify the Director of Resources of outstanding income relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Director of Resources and not later than 15th April.

### **D.3. ORDERING AND PAYING FOR WORK, GOODS AND SERVICES**

#### **D.3.1 Why is this important?**

- 3.1.1 Public money should be spent with demonstrable probity and in accordance with the Council's policies. Authorities have a statutory duty to achieve best value in part through economy and efficiency. The Council's procedures should help to ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the Council's ***Contract Procedure Rules***.

#### **D.3.2 General**

- 3.2.1 Every Officer and Member of the Council has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with appropriate codes of conduct.
- 3.2.2 Official orders must be in a form approved by the Director of Resources. Official orders must be issued for all work, goods or services to be supplied to the Council, except for supplies of utilities, periodic payments, petty cash purchases or other exceptions specified by the Director of Resources.
- 3.3.3 Each order must conform to the guidelines approved by the Council on procurement Standard terms and conditions and must not be varied without the prior approval of the Director of Resources.

- 3.3.4 Apart from petty cash, the normal method of payment from the Council shall be by cheque or BACS drawn on the Council's bank account by the Director of Resources. The use of direct debit shall require the prior agreement of the Director of Resources. The use of Council procurement/business cards by non card holders shall require the prior agreement of the Director of Resources.
- 3.3.5 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Council contracts, except where there is a specific Council policy to the contrary.
- 3.3.6 Detailed regulations relating to Procurement are set out in the Council's ***Contract Procedure Rules***.
- 3.3.7 Where an order is not appropriate as discussed in section 3.2.2, authorisation must be provided on the specified form and attached to the invoice for payment. Authorisation thresholds for Officers are set out in **Appendix H**.

### **D.3.3 Key controls**

- 3.3.1 The key controls for ordering and paying for work, goods and services are:
- a) all goods and services are ordered only by authorised persons and are correctly recorded;
  - b) all goods and services shall be ordered in accordance with the Council's ***Contract Procedures Rules***;
  - c) goods and services received are checked to ensure they are in accordance with the order;
  - d) payments are not made unless goods have been received by the Council to the correct price, quantity and quality standards;
  - e) all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method;
  - f) all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention guidelines;
  - g) all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected by journal;
  - h) in addition e-commerce requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

### **D.3.4 Responsibilities of the Director of Resources**

- 3.4.1 To ensure that all the Council's financial systems and procedures are sound and properly administered.
- 3.4.2 To approve any changes to existing financial systems and to approve any new systems before they are introduced.
- 3.4.3 To approve the form of official orders and associated terms and conditions in consultation with the Council's legal advisors.
- 3.4.4 To make payments from the Council's funds on the Director's authorisation that the expenditure has been duly incurred in accordance with financial regulations.
- 3.4.5 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.

- 3.4.6 To make payments to contractors on the certificate of the appropriate Director, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- 3.4.7 To provide advice and encouragement on making payments by the most economical means, in accordance with the Council's Procurement Strategy and associated guidance.
- 3.4.8 To ensure that payment is not made unless a proper VAT invoice, where appropriate, has been received, checked and coded, confirming:
  - (a) that the invoice has not previously been paid;
  - (b) that expenditure has been properly incurred;
  - (c) that prices and arithmetic are correct;
  - (d) correct accounting treatment of tax;
  - (e) that discounts have been taken where available;
  - (f) that appropriate entries will be made in accounting records.
- 3.4.9 To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice, except where the original invoice has been lost, in which case a check must be made to see if payment has been made and if it has not the copy annotated accordingly prior to payment.

**D.3.5 Responsibilities of Directors**

- 3.5.1 To ensure that official orders are issued via the e-procurement system for all goods and services, other than the exceptions as specified in 3.2.2.
- 3.5.2 To ensure that orders are only used for goods and services provided to the service. Individuals must not use official orders to obtain goods or services for their private use (see 3.3.5).
- 3.5.3 To ensure that only staff authorised to raise orders (Buyers) via the e-procurements system have access to the system. To ensure that only staff authorised to approve orders above the specified limit have access to the system. Buyers and Approvers should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best Value principles should underpin the Council's approach to procurement. Value for money should always be achieved.
- 3.5.4 To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories if necessary.
- 3.5.5 To ensure that the e-payment system is updated to show the receipt of goods, immediately after the goods are received.
- 3.5.6 Wherever possible to ensure that two authorised members of staff are involved in the ordering and receiving process.
- 3.5.7 To encourage suppliers of goods and services to receive payment by the most economical means for the Council. It is essential, however, that payments made by direct debit have the prior approval of the Director of Resources.

- 3.5.8 To ensure that the service obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality. Due regard to be taken of the Council's procurement strategy and associated procurement guidance.
- 3.5.9 To ensure that employees are aware of the national code of conduct for local government employees specified in personnel policies.
- 3.5.10 To ensure that, loans, leasing or rental arrangements are not entered into without prior agreement from the Director of Resources.
- 3.5.11 To notify the Director of Resources of outstanding expenditure relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Director of Resources.
- 3.5.12 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Director of Resources the systems and procedures to be adopted in relation to financial aspects. This includes certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.
- 3.5.13 To notify the Director of Resources immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- 3.5.14 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention guidelines.

#### **D.4. PAYMENTS TO EMPLOYEES AND MEMBERS**

##### **D.4.1 Why is this important?**

- 4.1.1 Staff costs are the largest item of expenditure for most Council services. It is therefore important that payments are accurate, timely, made only where they are due for services to the Council and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are authorised in accordance with the scheme adopted by the Council.

##### **D.4.2 Key controls**

- 4.2.1 The key controls for payments to employees and Members are:

- (a) proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:
  - i. starters
  - ii. leavers
  - iii. variations
  - iv. enhancements
  - v. and that payments are made on the basis of timesheets or claims;
  - vi. frequent reconciliation of payroll expenditure against approved budget and bank account;
- (b) all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention guidelines;
- (c) that HM Revenues and Customs regulations are complied with.

**D.4.3 Responsibilities of the Director of Resources**

- 4.3.1 To arrange and control the secure and reliable payment of salaries, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him/her, on the due date.
- 4.3.2 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention guidelines.
- 4.3.3 To record and make arrangements for the accurate and timely payment of tax, pensions and other deductions.
- 4.3.4 To make arrangements for payment of all travel and subsistence claims.
- 4.3.5 To make arrangements for paying Members travel or other allowances upon receiving the prescribed form, duly completed and authorised.
- 4.3.6 To ensure that adequate and effective systems and procedures are operated, so that:
  - (a) payments are only authorised to bona fide employees;
  - (b) payments are only made where there is a valid entitlement;
  - (c) conditions and contracts of employment are correctly applied, employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- 4.3.7 To ensure that the Director of Resources is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system (P11d).

**D.4.4 Responsibilities of Directors**

- 4.4.1 To send an up-to-date list of the names of officers authorised to sign records to the Director of Resources, together with specimen signatures.
- 4.4.2 To ensure that payroll transactions are processed only through the payroll system. Directors should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. HM Revenues and Customs applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Director of Resources.
- 4.4.3 To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Council, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and the Director of Resources is informed where appropriate.
- 4.4.4 To make, having regard to the particular circumstances of each case, ex gratia payments not exceeding a specified financial limit (see **Appendix F**) in any one case, subject to consultation with the Director of Resources. The circumstances of the proposed payment must not have the effect of circumventing other Council pay and allowance policies, tax rules or other legislation.
- 4.4.5 To notify the Director of Resources of all appointments, terminations or variations that may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Director of Resources.



- 4.4.6 To ensure appointments are made in accordance with the regulations of the Council and approved establishments, grades and scale of pay and that adequate budget provision is available.

**D.4.5 Responsibilities of Members and Officers**

- 4.5.1 To submit claims for travel and subsistence allowances on a monthly basis and, in any event, within one month of the year end.

**D.5. TAXATION**

**D.5.1 Why is this important?**

- 5.1.1 Like all organisations, the Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

**D.5.2 Key controls**

- 5.2.1 The key controls for taxation are:
- (a) Finance staff remain abreast of tax legislation, in particular that relating to PAYE, NICs, CIS and VAT.
  - (b) budget managers are provided with relevant information and kept up to date on tax issues;
  - (c) budget managers are instructed on required record keeping;
  - (d) all taxable transactions are identified, properly carried out, accounted for within stipulated time-scales and paid through appropriate financial systems;
  - (e) records are maintained in accordance with instructions;
  - (f) returns are made to the appropriate authorities within the stipulated timescale.

**D.5.3 Responsibilities of the Director of Resources**

- 5.3.1 To complete all HM Revenues and Customs returns regarding PAYE and NIC's.
- 5.3.2 To complete a monthly return of VAT inputs and outputs to HM Revenues and Customs.
- 5.3.3 To provide details to HM Revenues and Customs regarding the construction industry tax deduction scheme in accordance with their deadlines.
- 5.3.4 To provide guidance for Council employees on taxation issues (including VAT).

**D.5.4 Responsibilities of Directors**

- 5.4.1 To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Revenues and Customs regulations.
- 5.4.2 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
- 5.4.3 To follow any guidance on taxation issued by the Director of Resources.

**D.6. TRADING ACCOUNTS AND BUSINESS UNITS**

**D.6.1 Why is this important?**

- 6.1.1 Trading accounts have become more important as local authorities have developed a more commercial culture.

**D.6.2 General**

- 6.2.1 Trading activities must operate within the Council's overall arrangements and rules for financial, personnel and resource management. Exceptionally, where it can be demonstrated that this would lead to a unit being uncompetitive and losing work, special arrangements can be considered. While the Programme committees have an overall responsibility for the operations of trading activities, clearly trading activities need freedom within this framework to operate on a commercial basis. Trading activities must adhere to Financial Regulations, unless alternative arrangements are explicitly identified and agreed in writing with the Director of Resources.

**D.6.3 Responsibilities of the Director of Resources**

- 6.3.1 To advise on the establishment and operation of trading accounts.

**D.6.4 Responsibilities of Directors**

- 6.4.1 To ensure that the control of the trading activity will be to the financial target (the 'bottom line') rather than to individual expenditure and income estimate headings
- 6.4.2 To ensure that as a minimum, a break even position should be achieved.
- 6.4.3 To report to the Finance & Corporate Services Committee, where a trading activity plans a significant item of expenditure (e.g. a capital scheme, the purchase of a major item of computer software or the creation of a major ongoing revenue commitment), prior to the expenditure being committed, unless already in an approved capital programme
- 6.4.4 To make a full report to the Finance & Corporate Services Committee, as soon as it is known that the trading activity may make a deficit.
- 6.4.5 To make a report to the Finance & Corporate Services Committee on the outturn of each trading activity compared to the financial plan.
- 6.4.6 To consult with the Director of Resources and the Council's legal advisors where a trading activity wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the Council. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty.

**E. EXTERNAL ARRANGMENTS**

**E.1. PARTNERSHIPS**

**E.1.1 Why is this important?**

1.1.1 Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Local authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.

1.1.2 Local authorities usually act as an “enabler” and will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what they achieve in partnership with others.

**E.1.2 General**

1.2.1 The main reasons for entering into a partnership are:

- a) the desire to find new ways to share risk;
- b) the ability to access new resources;
- c) to provide new and better ways of delivering services;
- d) to forge new relationships.

1.2.2 A partner is defined as either:

- a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project or;
- b) a body whose nature or status give it a right or obligation to support the project.

1.2.3 Partners participate in projects by:

- a) acting as a project deliverer or sponsor, solely or in concert with others;
- b) acting as a project funder or part funder;
- c) being the beneficiary group of the activity undertaken in a project.

1.2.4 Partners have common responsibilities:

- a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;
- b) to act in good faith at all times and in the best interests of the partnership’s aims and objectives;
- c) be open about any conflict of interests that might arise;
- d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors;
- e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature;
- f) to act wherever possible as ambassadors for the project.

**E.1.3 Key controls**

1.3.1 The key controls for Council partners are:

- a) if appropriate, to be aware of their responsibilities under the Council's financial regulations and procedures together with ***Contract Procedure Rules***;
- b) to ensure that risk management processes are in place to identify and assess all known risks;
- c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise;
- d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences;
- e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

**E.1.4 Responsibilities of the Director of Resources**

1.4.1 To advise on effective controls that will ensure that resources are not wasted.

1.4.2 To advise on the key elements of funding a project. They include:

- a) a scheme appraisal for financial viability in both the current and future years;
- b) risk appraisal and management;
- c) resourcing, including taxation issues;
- d) audit, security and control requirements;
- e) carry-forward arrangements.

1.4.3 To ensure that the accounting arrangements are satisfactory.

1.4.4 To maintain a register of all contracts entered into with external bodies.

1.4.5 To ensure that spending has occurred in line with the terms and conditions and any eligibility criteria.

**E.1.5 Responsibilities of Directors**

1.5.1 To ensure that, before entering into agreements with external bodies the Council's legal advisors are consulted.

1.5.2 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared.

1.5.3 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Council.

1.5.4 To ensure that all agreements and arrangements are properly documented.

1.5.5 To provide appropriate information to the Director of Resources to enable a note to be entered into the Council's Statement of Accounts concerning material items.

**E.2. EXTERNAL FUNDING**

**E.2.1 Why is this important?**

- 2.1.1 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies provide additional resources to enable the Council to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Council's overall plan.

**E.2.2 Key controls**

- 2.2.1 The key controls for external funding are:
- a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood;
  - b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by the Council;
  - c) to ensure that any match-funding requirements and future revenue implications are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

**E.2.3 Responsibilities of the Director of Resources**

- 2.3.1 To ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- 2.3.2 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- 2.3.3 To ensure that audit requirements are met.

**E.2.4 Responsibilities of Directors**

- 2.4.1 To ensure that all claims for funds are made by the due date.
- 2.4.2 To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.

**E.3. WORK FOR THIRD PARTIES**

**E.3.1 Why is this important?**

- 3.1.1 Legislation enables the Council to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risk associated with this work is minimised and that such work is intra vires.

**E.3.2 Key controls**

- 3.2.1 The key controls for working with third parties are:

- a) to ensure that proposals are costed properly in accordance with guidance provided by the Director of Resources;
- b) to ensure that contracts are drawn up using guidance provided by the Director of Resources and that the formal approvals process is adhered to;
- c) to issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

**E.3.3 Responsibilities of Director of Resources**

- 3.3.1 To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

**E.3.4 Responsibilities of Directors**

- 3.4.1 To ensure that the approval of the appropriate Programme committee is obtained before any negotiations are concluded to work for third parties.
- 3.4.2 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Director of Resources.
- 3.4.3 To ensure that appropriate insurance arrangements are made.
- 3.4.4 To ensure that the Council is not put at risk from any bad debts.
- 3.4.5 To ensure that no contract is subsidised by the Council.
- 3.4.6 To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- 3.4.7 To ensure that the service has the appropriate expertise to undertake the contract.
- 3.4.8 To ensure that such contracts do not impact adversely upon the services provided for the Council.
- 3.4.9 To ensure that all contracts are properly documented.
- 3.4.10 To provide appropriate information to the Director of Resources to enable a note to be entered into the Statement of Accounts.

**F. FINANCIAL LIMITS**

**F.1. General**

**F.1.1** Throughout these regulations, there are references to financial limits. These limits will need to be reviewed on a regular basis and, consequently, the latest figures have been consolidated in this appendix in order to facilitate any future changes. The regulations which contain financial limits are listed below:

**F.1.2** Virements between Directorates require the approval of the Finance & Corporate Services Committee subject to the authorisation limits set out below. For the purpose of virements, salaries are to be considered as a Directorate in their own right and are under the control of the Head of Paid Service.

**F.1.3** The use of reserves is to be approved through the same authorisation process as virements where not approved as part of the annual budget or accounts processes, or have specific delegation.

**F.1.4** The financial limits for approval of revenue virements and revenue supplementary estimates are set out below:

(a) Virements within same Directorate

Relevant Director and Director of Resources

(b) Virements between different Directorates

(i) Up to **£20,000** – Director and Director of Resources and reported quarterly to members via email.

(ii) Over **£20,000** up to **£50,000** - Director, Director of Resources in consultation with relevant Programme committee Chairman; and reported to the next Finance & Corporate Services Committee meeting;

(iii) Over **£50,000** - the Finance & Corporate Services Committee.

(c) Supplementary Estimates

(i) Up to **£20,000** – Director, Director of Resources and Chief Executive in consultation with the Chairman of the Finance & Corporate Services Committee and the Leader and reported to the next Finance & Corporate Services Committee;

(ii) Over **£20,000** – the Finance & Corporate Services Committee.

**NB** One of the Council's budget policies is to only agree supplementary estimates in exceptional circumstances.

**F.1.5** A capital scheme (an identifiable project) is where expenditure exceeds **£10,000**.

**F.1.6** The financial limits for approval of capital virements and capital supplementary estimates are the same as for revenue.

**F.1.7** Any excess expenditure over the approved contract sum of more than **5%** or **£10,000** whichever is the greater must be reported to the Programme committee (Appendix B paragraph 2.19.8).

## **APPENDIX 1**

### **Appendix F**

- F.1.8** The asset register shall contain all assets with a value in excess of **£10,000** (Appendix C paragraph 5.3.1).
- F.1.9** All items with a value in excess of **£500** shall be included in inventories (Appendix C paragraph 5. 4.15). IT assets (laptops, monitors, printers etc but excluding IT peripherals) are an exception to this limit as are more desirable, and are all recorded on the IT inventory.
- F.1.10** Finance & Corporate Services Committee approval is required to declare land surplus to requirements where the value exceeds **£10,000** (Appendix C paragraph 5.4.4).
- F.1.11** Finance & Corporate Services Committee approval is required to write-off bad debts in excess of **£10,000** (Appendix D paragraph 2.3.3), in the case of Non Domestic Rates Debts this is increased to **£20,000**.
- F.1.12** Finance & Corporate Services Committee approval is required to make ex-gratia payments in excess of **£2,000** (Appendix D paragraph 4.4.4).
- F.1.13** Finance limits relating to contracts are contained in the Council's ***Contract Procedure Rules***.



**G. BANK MANDATE**

- G.1. Subject to an adequate indemnity and satisfactory security arrangements being maintained, pre-signed cheques may be used for payments not exceeding £10,000. The facsimile signature of the Chief Executive shall appear on all pre-signed cheques.
- G.2. Cheques above £10,000 shall be countersigned by the Director of Resources or, in his/her absence, the Chief Executive or the Director of Customers and Community or the Director of Planning and Regulatory Services.
- G.3. Amendments to cheques can be countersigned by the above and additionally the Finance Manager for cheques up to £10,000.
- G.4. Manual CHAPS payments shall be signed by any of the following:
- a) Director of Resources
  - b) Chief Executive
  - c) Director of Customers and Community
  - d) Director of Planning and Regulatory Services
- G.5. All arrangements with the Council's financial institutions shall be made by the Director of Resources who shall be authorised to operate such banking accounts/investments/financial instruments as he/she may consider necessary.
- G.6. All cheques shall be ordered only on the authority of the Director of Resources or under arrangements made by him/her.
- G.7. All cheques shall be ensured are kept in safe custody by the Director of Resources until issue.
- G.8. All instructions relating to the Council's banking accounts, shall be authorised by the Director of Resources or Officers authorised by him or her.
- G.9. Payments may be made by BACS or CHAPS electronic transmission subject to two authorised card holder authentications and authorisation in accordance with the following limits:
- Up to £50,000 - Officers delegated by Directors under the scheme of delegation  
Above £50,000 - Directors or Chief Executive

## **H. AUTHORISATION ARRANGEMENTS**

<b>Total Value</b>	<b>Category</b>	<b>Authorisation Level</b>
Up to £5,000	Electronic Orders	<i>Authorised buyer</i>
£5,001 to £50,000	Invoice Authorisations, Electronic Order Approvals, Mileage and Expenses Claims	<i>Line Manager</i>
Above £50,001*	Invoice Authorisations and Order/Contract Approvals	<i>Director or Chief Executive</i>

\* Note requirement for written contracts above £50,000 – See Section 16.2 of Contract Procedure Rules.

### **Definitions** (as per Contract Procedure Rules)

*Approved Buyer*- An Officer designated by a Director who is authorised to generate electronic orders on behalf of the Council.

*Line Manager* - An *Officer* designated by the *Director* to exercise the role reserved to the line manager by the contract procedure rules, this will be a Level 2 Manager.

*Director*- One of three Directors responsible for operational delivery of services and designated as such in the constitution.

**I. DELEGATIONS**

**I.1.1 Introduction**

- 1.1.1. The Status of financial regulations section in this document refer to Directors and Officers delegating their responsibilities per these financial regulations. Delegation should be given in writing, however there are instances where this isn't necessary or not possible due to sickness/leave.
- 1.1.2. These delegations are only applicable where decisions/actions are required urgently and the relevant officer is not available and written delegation has not been made as not known required.
- 1.1.3. There are statutory delegations for statutory posts, the Monitoring Officer, Section 151 Officer and Returning Officer, who all have a Deputy. Written delegation is not required for these posts to act in the full capacity.
- 1.1.4. Other Officer delegations:-

<b>Officer</b>	<b>Delegation given to:</b>
Chief Executive	Service Director
Service Director	Another Service Director
Group Manager	Service Director

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## **SUNDRY DEBTORS POLICY & PROCEDURE**

### **INTRODUCTION**

The Director of Resources has responsibility, under Section 151 of The Local Government Act 1972, for administration of the financial affairs of the Council. One such area of administration is that relating to Sundry Debtors and it is this, which is covered by this Procedure.

### **SUNDRY DEBTS**

The term Sundry Debtor refers to all billable income due to the Council other than Council Tax, Car Parking Fines and Income for Licences and Garden Waste collection.

### **POLICY**

The function and objectives of this Procedure are to collect all income due for goods and services provided and to ensure the Councils effective recovery of all outstanding debts by:

- Timely raising of invoices
- Ensuring invoices are accurate and valid
- Prompt query resolution
- Effective matching of payments against debts
- Good control of debt
- Prompt recovery action on outstanding balances
- Stopping of Services where debts remain outstanding
- Ensuring implementation of a prudent write-off policy
- Ensuring authority levels are documented and adhered to.
- Management Reporting and Performance Measurement

### **PROCEDURES**

#### **1 INVOICE REQUESTS**

- Wherever possible and appropriate income should be obtained in advance or at the point of supplying goods or services as this improves the authority's cash flow and also avoids the time and cost of administering the recovery of debts.
- All other demands for income must be made via the Sundry Debtors system. An invoice request form must be completed and forwarded in its excel format to [debtors@maldon.gov.uk](mailto:debtors@maldon.gov.uk) . The form template can be found on the intranet under Finance Info.
- Unless obliged to contractually, officers should not raise an invoice for a debt less than £10 as it is deemed to be uneconomic.

The following guidance is provided to ensure that data quality standards are met.

- Customers full Name Address and Phone number to be supplied, and email address if available
- A full description of the charge should be given to support the invoice being raised. (No abbreviations are to be used)
- Times and/or dates of service/provision to be included in description of charge
- MDC Officer name and contact details (in the event of a query)
- Supplier Purchase Order No if appropriate
- VAT where applicable.
- Requests to raise an invoice must be passed to Finance within **5 days** of the charge becoming known.
- The invoice should be raised by Finance and sent to customers within **9 days** of receipt of the request

## **2 INVOICE PAYMENT**

- Payment is due within 14 days from the date of invoice.
- The following methods of payment are offered
  - Cheque
  - Phone
    - Credit cards
    - Debit Card
  - Standing Order
  - Internet
    - Credit cards
    - Debit Card

## **3 QUERIES**

- Services are responsible for resolving all queries and should aim to settle queries within 14 days.
- Services must make Finance aware of all queries, and keep them informed of discussions and agreements.

## **4 DISPUTES**

Invoices that are challenged by the customer will remain payable while in dispute but recovery action will be withheld whilst the dispute is being dealt with.

- If it is agreed that the charge should not have been made, a request for a credit note must be made by the department. The credit note request template can be found on the intranet under Finance Info.
- If it is agreed that the customer was overcharged, and a partial credit is due, a credit note request must be made by the department

- If after investigation the customers dispute is found to be unsupported, recovery action will continue from the relevant stage it was placed on hold.

## **5 CREDIT NOTES**

- If a Service finds that all or part of an invoice has been raised in error, the Service is responsible for making a credit note request to Finance to offset against the original invoice.

## **6 OUTSTANDING INVOICES**

### **Internal Debt Management**

- Finance will keep Services informed of outstanding debts by production of a monthly aged debt report
- Stage 1. If an invoice is unpaid, and not disputed, 21 days after the date of being raised a first reminder letter will be sent by Finance\*\*
- Stage 2. A second reminder will be sent by Finance after 35 days if the invoice remains unpaid or an instalment plan has not been agreed in writing between the customer and Finance.
- Stage 3. If the invoice is still outstanding after 49 days, Finance will send a 'Warning of Legal Proceedings' letter. Finance will also advise the Service department to withdraw any service /supply. The Service department must make contact with the customer to inform them of the withdrawal of service. Services should advise Finance of any communication with the customer regarding the outstanding invoice
- Stage 4. If payment has not been received within 14 days of the date of the stage 3 letter:
  - No further action will be taken where an account balance is less than £30 and the debt will be written off.
  - No further action will be taken where notifications of Receivership/Bankruptcy/Ceased Trading have been received and notice of claim has been lodged with the receiver and the debt will be written off.
  - Remaining accounts with outstanding balances of £30 or more will be passed to an external debt collecting agency for a period of 6 months.
- Stage 5. Debts returned unpaid from the external debt collecting agency will be reviewed by the Finance Manager to consider if the debt should be written off or pursued through the court.
- Stage 6. Once a judgement order has lapsed and the debt remains unpaid, the case will be reviewed by the Finance Manager to consider if the debt should be written off or the Court recovery service used

\*\* Except for Section 106 and Award of Costs invoices which will be passed, at this stage, to the Section 106 officer/Planning Manager to be actioned through the Supreme Court

- The Finance Manager will ensure there is suitable bad debt provision for write offs set aside each year as part of the annual accounts process.

## **7 MANAGEMENT REPORTING**

- A monthly aged debt report will be sent to Service Admin, Directors, Service Mangers and the Finance Manager. These reports must be checked by the Service area and Finance informed of any action taken for debts reaching Stage 3 recovery (see section on internal debt management).
- A monthly Write offs and review report will be sent to the Section 151 Officer for authorisation of action required and approval of write offs.

## **8 PERFORMANCE MANAGEMENT**

Financial services will review the following reports to assist with the effective recovery of outstanding debts.

- Daily reconciliation of Debtors ledger
- Aged Debt Analysis
- Monthly review of outstanding balances by responsible officer in Finance
- Volume of invoices raised
- Volume of Stage 1 and 2 letters sent
- Number of cases sent to Court/Debt collection agency

## **9 PERFORMANCE TARGETS**

Financial Services will aim to achieve the following performance targets.

- Reminder letters sent within timescales detailed in Section 6
- Aged Debt reports to be issued within 15 working days of month end
- Summary arrears analysis report to be produced within 10 working days of month end
- Recovery Targets for current and prior year debts will be set by the Finance Manager.

## **10 DORMANT ACCOUNTS**

- Accounts with zero balances that have seen no activity for 18 months will be deleted from the Sundry debtors system



**APPENDIX 3**  
**Creditors Policy & Procedures**  
**CREDITORS POLICY & PROCEDURE**

## **INTRODUCTION**

The Director of Resources has responsibility, under Section 151 of The Local Government Act 1972, for administration of the financial affairs of the Council. One such area of administration is that relating to Creditors and it is this which is covered by this Procedure.

Financial regulations covering this area are to be found in Appendix D. of those regulations.

## **CREDITORS**

The term Creditors refers to a person or company to whom money is owed.

## **POLICY**

The Policy sets out the council's arrangements for ordering, receiving, authorising and paying for Goods and services provided to the council and provides details behind the approved financial regulations. The Director of Resources is responsible for all financial transactions. This will be done by;

- Raising of purchase order for goods and services or works by authorised officers in accordance with the Council's ***Contract Procedures Rules***;
- Receipting and closing orders to confirm payment authorisation
- all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method;
- Invoices must have an order number printed on them, otherwise, unless recorded as an exception, will be returned to the supplier.
- Use of Council Purchase card.
- Prompt payment of invoices

**APPENDIX 3**  
**Creditors Policy & Procedures**

**1 PURCHASE ORDERS**

- An Official electronic order must be issued in advance of any work, goods or service to the Council. The order must be approved by authorised officers, except for supplies of utilities, periodic payments, petty cash purchases or other exceptions specified by the Director of Resources.
- The order must have sufficient budget to complete the works.
- The orders must fall in line with the Council's Contract Procurement rules relating to quotes and tenders. These can be found on the council's intranet.
- New suppliers will be set up on the ordering system by financial services.
- The order must be receipted and closed by the officer raising the order once goods / services have been received, to approve payment of the invoice.
- Where possible a delivery note should be held by the relevant officer to prove delivery of the goods or service
- Payment slips for works that fall outside of the order requirements should be signed by an officer with approved authorisation limits.

**2 INVOICE PAYMENT**

- Orders must be receipted and closed by officers to enable payment of invoices.
- Payment will be made within 30 days from the date of invoice.
- Finance will check the following when making payment of an invoice
  - that the invoice has not previously been paid;
  - that expenditure has been properly incurred;
  - that prices and arithmetic are correct;
  - correct accounting treatment of tax;
  - that discounts have been taken where available;
  - that appropriate entries will be made in accounting records
- all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected by journal;
- A final check on all invoices being paid will be made by a finance officer separate to the officer creating the payments.
- all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention guidelines;

### **APPENDIX 3**

#### **Creditors Policy & Procedures**

- The following methods of payment are offered

BACS  
Cheque

- The BACS file generated will be printed and signed by one of the council's authorised signatories..
- The BACS file will be sent by a member of the I.T services team and one of the BACS approved users.
- Payments to be made by cheque will be generated in the same way as the BACS run but cheques will be printed by IT Services. Cheques held in the council safe will be used and recorded.
- The use of direct debit shall require the prior agreement of the Director of Resources. Payment by Direct debit will be recorded on the finance system by way of the Cash Book.
- The use of the Council procurement /business cards by non-card holders shall require the prior agreement of the Director of Resources. A log of all purchases must be kept along with paperwork and receipts and sent to finance at the end of each month by the card holder.
- Manual cheques that occasionally are required are generated by the payroll officer who keeps 5 cheques in a locked cupboard. If required the cheque is signed by an officer on the approved signatory list.

### **3 CREDIT NOTES**

- If a Service finds that all or part of an invoice should not have been received then they are responsible for obtaining a credit note from the supplier and passing to Finance to cancel the invoice.

### **4 QUERIES**

- Services are responsible for resolving all queries and should aim to settle queries within 14 days.
- Services must make Finance aware of any queries, and keep them informed of discussions and agreements.

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## **REPORT of DIRECTOR OF CUSTOMERS AND COMMUNITY**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
28 NOVEMBER 2017**

### **PROPOSALS FOR CHANGE TO OFFICE OPENING TIME TO PUBLIC**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To seek Members' views on the proposals to change the opening time to the public to create opportunities for improved staff engagement, communication and training.

#### **2. RECOMMENDATIONS**

- (i) that proposals to implement a regular later opening of the office to the public be considered;
- (ii) that the frequency and duration of the later opening be considered by Members.

#### **3. SUMMARY OF KEY ISSUES**

##### **3.1 Background**

- 3.1.1 As part of our workforce development programme we are committed to be a
- 1. a high performing organisation, and
  - 2. a learning organisation
- 3.1.2 Investing in our staff, through regular communication via team meetings, and managing performance through one to one meetings and appraisals is a key element of helping us to achieve these key aims
- 3.1.3 We are embarking on a Transformation journey, with clear Corporate Goals and an emerging vision to become a more commercial organisation and it is vital that our vision is shared and understood by all of our staff. To be successful it is vital that we invest in good quality, regular communication with our staff, to ensure they feel engaged and empowered.
- 3.1.4 At present the opening times of the office to the public mean that any communication and meetings have to take place during the times that the office is open to the public:
- 8.30 am to 5.00 pm Monday to Thursday
- 8.30am to 4.30 pm Friday.

- 3.1.5 Consequently access by the public to those services during team meetings can be limited, affecting the quality of the service received. Staff briefings are very difficult to hold without causing significant disruption to services.
- 3.1.6 The customer service team themselves are reliant on other departments to provide cover for its team meetings, creating a further disruption to service for customers and also for our own staff.
- 3.1.7 During the course of a month there will be at least 20 separate team meetings a month, resulting in teams being not available to the public for at least 20 hours every month.
- 3.1.8 The current arrangements not only impact upon the service we provide to our customers, it makes it difficult for staff to have good regular uninterrupted communication within teams and also makes the logistics of having wider communication across teams a significant challenge.
- 3.1.9 Some businesses and other Local Authorities have decided to have one day a month where they open for business to customers at a later time to allow the opportunity for regular training and meetings.
- 3.1.10 The benefits of this approach are:
- The service provided to customers outside of the late opening time will be improved through increased availability of staff and increased efficiency for the organisation: for example, if Members chose to open one hour later each month instead of staff being unavailable for at least 20 hours a month at various times, they will all be unavailable for one hour each month;
  - The opportunity to have a period of uninterrupted training/ meeting time each month will not only improve communication across the organisation and in teams but will also help deliver a better quality of service to customers, as staff will have a dedicated time each month for uninterrupted sharing of information and delivering key training and performance management. This will help us to meet the priorities of our Workforce Development Strategy which Members have previously approved.
  - The opportunity for the Corporate Leadership Team to engage with staff through staff briefings on key priorities such as the Transformation Programme.
  - A consistent day and time can be communicated to customers and partners, making it easier for customers to become familiar with it.
- 3.1.11 A recent survey of Essex Councils has identified that half of all Councils open regularly at 9am, two currently open later once a month (10am and 10.30am) and one council is consulting on opening later once a month.
- 3.1.12 Partner organisations that share the building have been consulted with and there are no barriers that would prevent these changes being implemented.

### 3.2 Options

3.2.1 Should Members wish to support a late opening on a regular basis there are a range of options that could be considered including (but not limited to) the following:

(i) **Telephones or face to face**

The levels of telephone calls earlier in the morning tend to be lower than other parts of the day, and the same is true of visitors to the office. Closing the office only to visitors **or** only to telephone callers will still require staff to be available, and the real benefits of having an uninterrupted opportunity for quality meetings with staff will not be realised. The true benefit of any late opening arrangement will only be achieved if we decide to not open the office to visitors, and not to take calls. *Members may wish to consider whether the late opening arrangements will apply to both telephone callers and visitors.*

(ii) **Duration of late opening**

A later opening time of one hour should provide an opportunity for effective staff meeting/ briefings. *Members may wish to consider an one hour duration, or an alternative duration.*

(iii) **Frequency of late opening arrangements**

A later opening every 6 - 8 weeks would provide an appropriate frequency for staff meetings. However, it would be difficult for customers to become familiar with a regular pattern of late opening times.

A monthly late opening pattern (such as last Wednesday of every month, or first Friday of every month) would be easier for customers to become familiar with, and would not require them to know the exact date. *Members may wish to consider a monthly frequency, or an alternative frequency. Councils that currently open late or are considering it are all monthly arrangements.*

3.2.2 Any changes to the Council's opening times will be delivered in collaboration with our partners and publicised ahead of implementation to minimise the impact upon customers.

## 4. CONCLUSION

4.1 The opportunity to improve the overall quality of the service to our customers as well as availability of staff would be greatly improved if we adopted a late opening arrangement.

4.2 Using the late opening arrangements to enable staff meetings and training to be held at a consistent date and time would reduce the amount of time that staff would be unavailable to deal with customer enquiries during the normal working week, as a result of team meetings from 20 hours a month to 1 hour per month, thereby providing a more effective and efficient service.

4.3 It would also improve the overall quality of service we are able to offer to customers at all other times, providing staff with an opportunity to undertake uninterrupted staff meetings and training.

- 4.4 It would offer an opportunity for the Corporate Leadership Team to have regular staff briefings to ensure consistent communication on key priorities, helping to ensure engagement with our vision delivery of our priorities.

## 5. IMPACT ON CORPORATE GOALS

- 5.1 Introducing a later opening to the public to enable staff training and meetings to take place directly contributes to the Corporate Goal of Delivering good quality, cost effective and valued services

## 6. IMPLICATIONS

- (i) **Impact on Customers** – The changes proposed would reduce the overall time the offices are open by 1 hour per month, however the quality of the service to the customer would be greatly enhanced if we utilised the hour to ensure that staff briefings / team meetings and training were carried out, thereby minimising the time that officers were unavailable to deal with the public as a result of team meetings. It would also reduce the total number of hours that staff were not available to the public due to team meetings (for example a late monthly opening would reduce the time from 20 hours to 1 hour).
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – Failure to publicise the change adequately could result in customers attending the office when it is closed, leading to customer dissatisfaction and reputational damage. Failure to have a regular pattern of late opening that it is easy for customer to remember will make it difficult for the change to embed.
- (iv) **Impact on Resources (financial)** – None.
- (v) **Impact of Resources (human)** – Maximising the use of the late opening arrangements for team meetings/ training and staff briefings would make more efficient use of staff time and would improve the service to customers. It would also improve organisational communication, enabling consistent and clear messages to be delivered by the Corporate Leadership Team.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Sue Green, Group Manager - Customers, (Tel: 01621 875892).





## **REPORT of DIRECTOR OF RESOURCES**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
28 NOVEMBER 2017**

### **REPLACEMENT COMMISSIONING AND PROCUREMENT STRATEGY AND CONTRACT PROCEDURE RULES**

#### **1. PURPOSE OF THE REPORT**

1.1 To consider and recommend to the Council that the following updated and modified documents be agreed:

- Procurement Strategy (**APPENDIX A**)
- Contract Procedure Rules (**APPENDIX B**)

#### **2. RECOMMENDATION**

To the Council

That the updated Commissioning and Procurement Strategy (**APPENDIX A**) and Contract Procedure Rules (**APPENDIX B**) be agreed.

#### **3. SUMMARY OF KEY ISSUES**

- 3.1 The previous Commissioning and Procurement Strategy was brought to the Finance and Corporate Services Committee on 5 March 2013.
- 3.2 Due to the time which has lapsed the strategy has been re-written to ensure that it meets the needs of the authority.
- 3.3 Since the previous version was adopted a number of new requirements must be considered, including the Public Services (Social Value) Act (2012), National Procurement Strategy (2015) and the Public Contract Regulations (2015).
- 3.4 The revised Commissioning and Procurement Strategy (**APPENDIX A**) has also been amended to take the Senior Management Restructure and revised Corporate Plan into account.
- 3.5 The strategy has also introduced documented performance management for all contracts in place with a value greater than £25,000.
- 3.6 The previous Contract Procedure Rules were also brought to the Finance and Corporate Services Committee on 5 March 2013. The Contract Procedure Rules

(**APPENDIX B**) provide the Council's mandatory procedures on methods of procurement.

- 3.7 The Contract Procedure Rules have been updated to ensure that they include guidance on calculated the total contract value, a section on extensions and variations and removal of the approved lists section as these are no longer used.

#### **4. CONCLUSION**

- 4.1 The strategy and contract procedure rules required amendment and emerging issues have been addressed in this updated version.

#### **5. IMPACT ON CORPORATE GOALS**

- 5.1 This report links to the corporate goal of being an organisation which delivers good quality, cost effective and valued services in a transparent way.

#### **6. IMPLICATIONS**

- (i) **Impact on Customers** – None.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk** – Procurement strategy minimises risk through following best practice.
- (iv) **Impact on Resources (financial)** – Efficient procurement ensures transparency and efficient use of resources.
- (v) **Impact on Resources (human)** – None identified.
- (vi) **Impact on the Environment** – The strategy links to the Council's approved Environment and Climate Change Strategy.

Background Papers: None.

Enquiries to: Emma Foy, Director of Resources, (Tel 01621 875762).

**Document Control Sheet**

<b>Document title</b>	Commissioning and Procurement Strategy
<b>Summary of purpose</b>	Strategy for the Council's Commissioning and procuring goods and services
<b>Prepared by</b>	Emma Foy
<b>Status</b>	Draft
<b>Version number</b>	1.0
<b>Approved by</b>	Council
<b>Approval date</b>	<b>TBC</b>
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<b>Review frequency</b>	Every three years
<b>Next review date</b>	<b>TBC</b>
<b>Circulation</b>	
<b>Published on the Council's website</b>	

**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**

## **COMMISSIONING AND PROCUREMENT STRATEGY**



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## Maldon District Council Procurement Strategy

### 1 INTRODUCTION

- 1.1 The local government procurement landscape is changing; this strategy document aims to clarify Maldon District Council's approach to Procurement activity within this changing environment.
- 1.2 Since the last strategy was adopted in 2012 a number of new external influences have been taken into account, including:
  - Public Services (Social Value) Act (2012).
  - The current draft of the National Procurement Strategy (due to be operational from late 2015).
  - Public Contract Regulations (2015).
- 1.3 Maldon District Council ('the Council') spends approximately £7 million on the procurement of goods, works and services. This strategy outlines the Council's current method of undertaking procurement and seeks to lay foundation for the future way in which procurement is addressed. This strategy is a 'living' document that will be updated at regular intervals in accordance with Council policy or through statutory amendments.
- 1.4 The Leadership Team are responsible for ensuring that the principles of this strategy are adopted and to promote its implementation within their own service area. Members are expected to use this strategy as a sense-check to review officer procurement decision-making through the relevant committees.

### 2 WHAT IS SUSTAINABLE COMMISSIONING AND PROCUREMENT?

- 2.1 **Commissioning** – the whole process of deciding what services are needed, their priority, and choosing what, why, how and where to allocate resources to provide them.
- 2.2 **Procurement** – the acquisition of goods, works and services which meet the customers' and service users' needs, whilst ensuring value for money throughout the life of the product including disposal.
- 2.3 **Sustainable procurement** – the acquisition of goods/works/services in a way that achieves value for money on a whole life basis by not only generating benefits for the Council for our communities and economy whilst minimising environmental damage.
- 2.4 **Value for Money** – also often described in terms of the 'three Es' – economy, efficiency and effectiveness:
  - **Economy** – careful use of resources to save expense, time and/or effort.
  - **Efficiency** – delivering the same level of service for less cost, time and/or effort.
  - **Effectiveness** – delivering a better service or getting a better return for the same amount of expense, time and/or effort.

2.5 Procurement is the method by which all goods, services and works are acquired. This includes everything from day to day purchases of consumables through to the acquisition of strategic services and works irrespective of value. However, procurement is more than just buying goods, works and services – it plays an increasingly strategic role in the way we deliver services.

2.6 In Public Procurement there are generally three procurement categories: goods, works and services.

2.6.1 Goods are physical products purchased or manufactured on request. There is usually an element of service involved, such as when the agreement is for the purchase of goods to be assembled and/or installed. However, the extent of the service provided is directly related to acceptance of the goods purchased. Typical examples of goods are: office supplies and equipment, furniture, IT equipment, books, vehicles, medical supplies and other commodities.

2.6.2 Works are related to civil works; this includes new construction of structures of all kinds (buildings, highways, bridges, etc), renovations, extensions, and repairs. This category can also include, water and sanitation, transportation and electrical plant infrastructure.

2.6.2 Services are classified as consulting services and non-consulting services. In some cases, they are simply classified as services because of the difficulty, at times, in clearly determining the difference. The distinguishing factor between the two, however, is the degree of importance of the measurable physical output of the requirement.

Consulting services are usually intellectual in nature and are considered technical services the output of which is not equipment intensive. Advisory and project related services are typical consulting services; which includes: feasibility studies, project management, engineering services, finance and accounting services, training and development, to mention a few.

Non-consulting services, on the other hand, usually involve the used of equipment and specific methodologies to achieve their objectives. Some typical examples of non-consulting services are: equipment maintenance and repair, operation and maintenance services, utility management, installation and maintenance services, surveys and field investigations, and similar.

2.7 Procurement should challenge existing service delivery models, and identifies and delivers the right future model of service provision.

2.8 The aim of effective procurement is to achieve best value through planned and skilful procurement, in respect of all goods, works and services sought by the Council. Also to support and encourage a vibrant local supplier market, remove barriers to trade for small to medium enterprises and voluntary organisations (such as splitting larger requirements into Lots) and giving appropriate consideration to Social Value.

2.9 Officers of Maldon District Council are required to comply with internal Contract

Procedure Rules as well as external laws, regulations and policy guidance at all times, in every procurement exercise regardless of contract value.

### 3 STRATEGIC OBJECTIVES

- 3.6 The Procurement Strategy supports the Council's Corporate Plan. At a general level, procurement of goods, works and services assists in delivering the Council's strategic objectives and statutory responsibilities:
  - 3.6.1 by ensuring procurements reflect relevant sustainability and environmental issues and ensure procurement processes support and reflect the aim of protecting our environment for future generations;
  - 3.6.2 by ensuring procurement guidance is clear and simple, and that relevant contracts are advertised and accessible to all. The procurement processes used do not unfairly limit the opportunity to bid for Social Enterprises/Third Sector organisations;
  - 3.6.3 provide feedback to bidders to support the development and overall competitiveness of these organisations;
  - 3.6.4 by encouraging an effective local supplier market and the promotion of local social value in contracts (such as the creation of apprenticeships and local supply chains);
  - 3.6.5 by aiming to ensure each procurement encapsulates the best value solution for the District. Using the procurement cycle to assist in identifying improvements to services and support the delivery of value for money services. To eliminate anything that does not add value to the procurement; and
  - 3.6.6 by working closely with partner organisations such as the Essex Procurement Hub, East of England LGA, and the Procurement Agency for Essex and other partnership groups to deliver savings and efficiencies through collaboration.



### 3.7 Other Corporate documents linked to this Strategy:

3.7.1 Business Plan

3.7.2 Financial Regulations

3.7.3 Contract Procedure Rules

### ***Links between this policy and our Corporate Priorities***

### 3.8 This policy supports our Corporate Priorities in the following way:

3.8.1 Enable communities: We will engage with all parts of our communities, including Parish Councils, businesses and our residents to encourage the most efficient way to provide services by:

3.8.1.1 Seeking to secure the best outcomes for the local community by making use of all available resources – without regard to whether services are provided in-house, externally or through partnership arrangements.

3.8.1.2 Continuously improving services through the adoption of innovative practices so that service users see an improvement in both quality and value for money.

3.8.1.3 Adopting a collaborative approach to procurement by participating in framework contracts.

3.8.1.4 Ensure we engage the diverse needs of the Community.

3.8.1.5 Improving understanding of procurement and commissioning for both internal and external stakeholders.

3.8.2 Early Intervention: We will promote the safeguarding of our young and vulnerable residents by

3.8.2.1 Ensuring that arrangements are in place with contractors to safeguard children and vulnerable adults in accordance with legislation (existing contracts).

3.8.2.2 Ensure that the Councils procurement process required suppliers to comply with safeguarding requirements (new contracts).

3.8.2.3 Monitoring and reporting compliance with procurement policies and procedures.

## **4 PROCUREMENT RESOURCE**

4.6 Maldon District Council is a small District Council with limited resources and it is not feasible to employ a full-time professionally qualified procurement resource.

- 4.7 The Essex Procurement Hub (EPH), hosted by Braintree District Council, was joined in April 2014 and provides procurement expertise for all aspects of procurement at Maldon. The shared service, which has six members, ensures Maldon has access to a fully qualified procurement professional for two days a week. In addition to being used to undertake high value and high risk procurements, this resource also helps Maldon to provide guidance, a toolkit and training opportunities to all officers of the Council involved in procuring goods and services.

## 5 GOVERNANCE AND RESPONSIBILITY

- 5.6 Procurement of goods, works and services across the Council has to be carried out within a number of controls including legislative and governance issues. In addition the Council has other policies, which must be adhered to as part of any procurement activity.
- 5.7 The Council will ensure that our procedure rules continue to be relevant and are compliant with EU regulations. The Council will hold the highest principles of fairness, transparency and openness within all procurement activity.
- 5.8 The key control over procurement activities is the Council's Contract Procedure Rules (CPRs), which set out the rules governing all aspects of procurement activity and outlines procedures to be followed for procurements that fall within set levels of spend. These are attached to this policy, Contract Procedure Rules.
- 5.9 The Director of Resources has overall strategic responsibility for procurement at Maldon, whilst operational responsibility lies with Managers.
- 5.10 Training is made available to staff engaged in Procurement. Procurement workshops are run in conjunction with the Essex Procurement Hub.
- 5.11 All the Official Journal of the European Union (OJEU) procurement projects must have sign off at PQQ in full and evaluation provided by Financial services and Procurement Consultant. .
- 5.12 All procurement must consider responsibilities and requirements for:
- 5.12.1 Safeguarding
  - 5.12.2 Sustainability
  - 5.12.3 Equalities
  - 5.12.4 Social Value
  - 5.12.5 Health and Safety
- 5.13 The Project Initiation Document (PiD) should allow considerations to be identified and assessed at the pre-procurement stage.
- 5.14 All procurement of contracts with a value of above £25,000 must have designated performance management criteria determined at the start of the contract, the results of which must be reported back to Members in June each year as part of the Annual Performance Monitoring of contractors.

## 6 E-PROCUREMENT

- 6.6 The National Procurement Strategy (NPS) places certain responsibilities on all Councils which includes use of e-procurement and the consideration of social value in procurement.
- 6.7 The Council has deployed Essex Marketplace solution for electronic ordering of goods and services.
- 6.8 The Council is using its website to promote good practice.
- 6.9 To support the delivery of this strategy the Council will continue to utilise electronic procurement systems. Electronic procurement systems can achieve efficiencies in the procure-to-pay cycle including reduction in processing time and reduction in transaction costs. This will help free resources that can be directed into front line services.

## 7 SUSTAINABLE PROCUREMENT

### *The Environment*

- 7.6 We also will require operators of (*significant*) contracts to adopt whole life-cycle thinking in the delivery of services on the Council's behalf. Where relevant, examples may include the purchase and use of vehicles, equipment, energy, water and chemicals.
- 7.7 One of the goals of the Council's Climate Change Commitment is to lead the local community in minimising its environmental impact. Through green procurement the Council is setting an example and influencing the market-place by providing industry with real incentives for developing green technologies.
- 7.8 Sustainable procurement is the process of acquiring goods, works and services from a supplier that provides the optimum combination of whole life costs and benefits to meet the customer's requirement. In order to achieve this we will:
  - 7.8.1 Account for environmental aspects of a product alongside societal and economic aspects in the tendering process. Deliver appropriate training for purchasing staff, ensuring access to environmental information.
  - 7.8.2 Adopt a life-cycle thinking approach to avoid shifting environmental impact. Products with Eco-labels should be purchased wherever possible.
  - 7.8.3 Develop an energy efficiency standard for the procurement of electrical goods.
  - 7.8.4 Encourage an ethic of reduce, reuse, recycle amongst purchasing staff. New cars purchased for the Council Fleet should have the lowest emissions standard possible whilst remaining fit for purpose.

## ***The Community***

- 7.9 We will encourage a diverse and competitive supply market by ensuring that local businesses are given an equal opportunity to participate in competition for Council business, whilst still maintaining a competitive supply market by:
  - 7.9.1 Encouraging local businesses to register with Contracts Finder.
  - 7.9.2 Providing clear advice and guidance to local businesses about how to bid for the Council's work.
  - 7.9.3 Encouraging the employment of local labour by the Council's successful contractors.
  - 7.9.4 Ensuring contracts are structured so as not to prejudice local businesses.
  - 7.9.5 Exploring how to better engage with ethnic, disabled and other minority group suppliers.

## **8 PARTNERING AND COLLABORATION**

- 8.6 The Council defines partnering as the creation of sustainable, collaborative relationships with suppliers to deliver services, carry out projects and acquire goods.
- 8.7 Collaboration is the process of working with other authorities or agencies to combine buying power and leverage based on higher levels of spend, to gain more favourable pricing and terms from suppliers when procuring goods, works or services.
- 8.8 The Council welcomes partnerships with other agencies which share its community and corporate aims. Therefore, to exploit these, the Council will:
  - 8.8.1 Include partnership options when undertaking service reviews and other appraisals.
  - 8.8.2 Through the EPH and in collaboration with neighbouring authorities develop sub regional and local procurement programmes and combine procurement options for the management of contracts as well as provision of services, works and supplies.
  - 8.8.3 Support the voluntary sector to engage with the Council and explore the potential for partnerships with local voluntary sector agencies interested in the provision of services for local people.
  - 8.8.4 Explore partnering opportunities with other agencies for significant construction projects.

## 9 CONDUCTING PROCUREMENT ACTIVITY AND RESOURCES

### ***Social Value***

- 9.6 The Social Value Act requires service related procurements over the EU threshold to consider social value. The act requires considerations to be proportionate and relevant to the particular requirement therefore where appropriate, the Council will use the full procurement cycle to consider how to improve the economic, social and environmental well-being of the District.
- 9.7 Considerations can be built in to the procurement process and could include adapting evaluation criteria or a requirement for contractors to support an apprenticeship scheme.

### ***Equality***

- 9.8 Procurement processes and documentation will reflect the Council's Equalities and Diversity Policy.
- 9.9 The Council will work with partners and suppliers to ensure that suppliers are, as a minimum, compliant with the relevant legislation, both at the inception of contracts and through their effective life.

### ***Safeguarding and Health & Safety***

- 9.10 All services commissioned by the Council are required to operate within the requirements of the Council's Safeguarding Children and Vulnerable Adults policy. Where relevant, contractors will need to demonstrate that they meet these requirements.
- 9.11 Procurement activity will be treated proportionately to the health and safety risks which arise from the contract. Potential risks will be assessed and contractors must provide evidence to demonstrate that their organisation actively promotes and manages health and safety.

### ***Sustainability***

- 9.12 Any procurement decision will aim to minimise harm to the environment and to promote conservation of natural resources.

### ***Forward Planning***

- 9.13 Forward Planning, particularly of major expenditure, is essential to maximise the potential savings through efficient and effective procurement.
- 9.13.1 Forward planning will be a key focus within the procurement cycle, particularly within the 'contract management', 'identification of need' and 'analysis of the requirement' stages.
- 9.13.2 Specifications where possible should be output based. Output based specifications will allow greater flexibility of design and support innovation throughout the supply chain.
- 9.14 Planning annual procurement activity in advance will enable the Council to become a more efficient buyer of goods, works and services.

### ***Relationships with Suppliers***

- 9.15 Effective procurement is measured by the outcomes and not by the completion of the process.
- 9.15.1 Contracts will be managed throughout their life to ensure that the benefits identified in the business case are delivered. Regular review meetings with incumbent suppliers are crucial in ensuring that set Key Performance Indicators and Service Level Agreements are achieved and maintained.
- 9.15.2 The Council will expand the use of contract management and build on areas of current best practice.
- 9.15.3 Risk registers shall be prepared for all major procurement processes in accordance with the Risk Management Strategy and will be revisited at key milestones in the procurement process and throughout the life of the contract.
- 9.15.4 When suppliers and contractors handle information on behalf of the Council, where possible, we will ensure that equivalent standards are applied or seek to influence our supplier's and contractor's standards.

### ***Data Protection***

- 9.16 The Council will expect Contractors to have appropriate information/data handling policies/procedures in place to handle confidential and commercially sensitive information, including personal and sensitive data, to ensure compliance with the Data Protection Act 1998.
- 9.17 The Council will ensure that all relevant Contracts include provisions relating to the ownership and control of any Intellectual Property created for, during and at the end of a contract.

### ***Information Requests***

- 9.18 Maldon District Council is a relevant authority for the purpose of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. The Council will expect that Contractors will support and assist the Council in discharging its obligations in responding to requests for information.

### ***Our Conduct***

- 9.19 In all our dealings in the procurement process, the Council will preserve the highest standards of honesty, integrity, impartiality and objectivity and shall comply with the Council's Codes of Conduct at all times.
- 9.20 In selecting contractors the Council will generally evaluate offers received on the basis of the most economically advantageous tender (MEAT) and will take into account, where appropriate, whole life costing seeking an appropriate balance between cost and quality.
- 9.21 In any procurement the Council will ensure that its approach to the market is consistent with these principles.

**10 PERFORMANCE MEASURES AND TARGETS**

- 10.6 Efficiencies gained through the adoption of procurement best practice when monitoring both our existing and future providers in support of overall Value for Money (VFM) can be redistributed to support long term sustainability of front line services.
- 10.7 Projects are monitored through the monitoring of Business Plan progress. Significant projects and exemptions are reported to members.





## APPENDIX C – GLOSSARY OF COMMONLY USED PROCUREMENT TERMS AND ACRONYMS

**Best Value:** Often defined as ‘value for money’, Best Value is the optimum combination of whole life costs and quality to meet the customer’s requirement.  
(Source: Draft Joint note on social issues in purchasing 2005)

**Collaboration:** In this context, public sector organisations that engage in a joint procurement for works, services or supplies with the intention of obtaining better value for money through economies of scale and reduced tendering costs.

**Commissioning:** Commissioning is a broad concept and there are many definitions, the following definition from the Audit Commission perhaps best captures the key elements of the commissioning tasks: *“Commissioning is the process of specifying, securing and monitoring services to meet people’s needs at a strategic level.”*

**Competitive Tendering:** Awarding contracts following a process of obtaining competing tenders.

**Contract:** A binding agreement between two or more parties that is enforceable in law.

**Contract Management:** The activities of a buyer before, during and after a contract period to ensure that all parties to the contract fulfil their contractual obligations. An important aspect of this is managing the relationships between all parties in the most effective way so as to ensure the contract meets the optimum combination of cost, time and quality.  
(Source: Adapted from CIPS definition in the contracts management Knowledge Summary)

**E-Procurement:** is the ability to purchase/sell through electronic trading via the Internet.

**Evaluation:** A detailed assessment and comparison of offers made by the Council in accordance with published criteria of responses to a request for quotations or tenders.

**Framework Agreement:** A framework agreement is a general term for agreements with suppliers which set out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement.

**Invitation to Tender (ITT):** A formal document inviting an organisation to tender to provide services or, supply goods to or carry out works for the Council. It will include the instructions for submitting a tender, the specification for the requirement, the criteria against which the tender will be assessed, the proposed terms and conditions for the contract and, sometimes, a business questionnaire.

**Key Performance Indicator (KPI):** KPIs are placed against certain elements of a contract or SLA and indicate the items that are to be measured to see if the contractor has achieved the required contract standard.

**MEAT:** Most Economically Advantageous Tender.

**Method Statement:** A document used in the invitation to quote or to tender which sets out specific questions for the bidder to answer to explain to the Council how a service is to be delivered/works to be carried out. It will be evaluated and form a part of the contract.

**Official Journal of the European Union (OJEU):** The on-line publication in which notices advertising a Council tenders that fall within the EU thresholds must be placed at the start and end of all the procurement.

**Pre-Qualification Questionnaire (PQQ):** A document asking the tenderer to provide information about his/her business and experience. Most commonly used in EU level procurements.

**Procurement:** Often used interchangeably with Purchasing. Procurement is the totality of acquisition starting from the identification of a requirement to the disposal of that requirement at the end of its life. It therefore includes pre-contract activities e.g. sourcing and post contract activities e.g. contract management, supplier relationship management activities. Procurement generally relates to goods, works and service(s) requirements.

**Public Procurement Directives:** The EU procurement Directives set out the legal framework for public procurement. They apply when public authorities and utilities seek to acquire goods, services, and works. They set out procedures which must be followed before awarding a contract when its value exceeds set thresholds.

**Quotation:** An offer by a supplier to supply goods or services or to carry out works requested either orally or in writing.

**Regulations:** The Public Contracts Regulations 2006 that implement the various EU Procurement Directives

**Risk Management:** Involves three key activities, risk analysis, risk assessment, and risk mitigation, all of which facilitate the taking of decisions and actions to control risk appropriately by providing a disciplined and objective approach.

(Source: [www.cips.org](http://www.cips.org) Knowledge Summary on risk management)

**SME:** In this context Small and Medium Enterprises (businesses).

**Specification/Statement of Requirements:** A description of the requirements for the service or of the service to be provided.

**Supplier Relationship Management:** (SRM) is the discipline of strategically planning for, and managing all interactions with contractors that supply goods and/or services in order to increase the value of those interactions. In practice, SRM entails creating closer, more collaborative relationships with key suppliers in order to uncover new value and reduce risk.

**Tender:** The offer submitted by the tenderer in response to the Invitation to Tender.

**Document Control Sheet**

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**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

## *Contract Procedure Rules*

Draft September 2017

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All costs stated in these contract procedure rules are exclusive of VAT, Staff **costs** and fees. Terms appearing in the definitions appendix are ***italicised***.

## A BRIEF GUIDE TO CONTRACT PROCEDURE RULES

These contract procedure rules (issued in accordance with section 135 of the 1972 Local Government Act) are intended to promote good purchasing practice and public accountability and deter corruption. Following the rules is the best defence against allegations that a purchase has been made incorrectly or fraudulently.

Officers responsible for purchasing or disposal must comply with these contract procedure rules when undertaking Procurement on behalf of the Council. Council employees and third party service providers have a duty to report breaches of Contract Procedure Rules to an appropriate senior manager and the Monitoring Officer.

These rules apply to all relevant contracts.

These rules apply to Officers and Members.

~~They lay down minimum requirements and a more thorough procedure may be appropriate for a particular contract. (For example, if Rule 8.1 would normally require that quotes be obtained, it might be appropriate in particular circumstances to seek additional quotations in writing or tender submissions. Equally, it may not always be appropriate to make use of an exemption under Rule 3 even if one might apply or be granted.)~~

For the purposes of these rules, where there is a requirement for communication to be in writing, this shall be deemed to include e-mail and fax transmissions as well as hard copy.

- Follow the rules if you purchase goods or services or order building work.
- Take all necessary legal, financial and professional advice.
- Declare any personal financial interest in a contract. Corruption is a criminal offence.
- Conduct any *Best Value* review and appraise the purchasing need.
- Check whether there is an existing *Corporate Contract* you can make use of before undergoing a competitive process.
- Normally allow at least four weeks for submission of bids (not to be submitted by fax or e-mail).
- Keep bids confidential.
- Complete a written contract or council order before the supply or works begin.
- Identify a contract manager with responsibility for ensuring the contract delivers as intended.
- Keep records of dealings with suppliers.
- Assess each contract afterwards to see how well it met the purchasing need and *Value for Money* requirements.

In accordance with the *Constitution*, the *Director of Resources* shall have the power to make amendments from time to time to these contract procedure rules after consultation with the Solicitor/Monitoring Officer.

## SECTION 1: SCOPE OF CONTRACT PROCEDURE RULES

### 1. BASIC PRINCIPLES

All purchasing and disposal procedures must:

- ~~Achieve Best Value for public money spent~~ Ensure value for money and propriety in spending of public money; be consistent with the highest standards of integrity
- ~~Be consistent with the highest standards of integrity~~
- ~~Ensure fairness in allocating public contracts~~
- ~~Comply with all legal requirements~~ consider all necessary procurement, legal, financial and professional advice
- ~~Comply with all legal requirements and these rules~~
- ~~Ensure that the Council is not exposed to unnecessary risk and likelihood of challenge arising from non-compliant procurement activity~~
- ~~Consider and incorporate necessary health and safety, inclusion and diversity, and safeguarding children and vulnerable adults requirements.~~
- ~~Not be influenced by Non-Commerical considerations other than those permitted by law.~~
- ~~Comply with the Council's Procurement Strategy.~~
- ~~Ensure that Non-commercial Considerations do not influence any Contracting Decision~~
- Support the council's corporate and departmental objectives, plan aims and policies
- ~~Comply with the council's corporate Procurement Strategy and competition policy.~~

### 2. OFFICER RESPONSIBILITIES

#### 2.1 Officers

2.1.1 Officers responsible for purchasing or disposal must comply with these contract procedure rules, *Financial Regulations*, the Code of Conduct and with all UK and European Union binding legal requirements. Officers must ensure that any *Agents*, *Consultants* and contractual partners acting on their behalf also comply.

All officers should undertake procurement in a manner which avoids any potential conflicts of interest.

2.1.2 Officers must:

- Obtain all appropriate authorisations and check that appropriate budget provisions exist before procurement
- Have regard to the guidance in the *Purchasing Guidance*
- Check whether a suitable *Corporate Contract* exists before seeking to let another contract; where a suitable *Corporate Contract* exists, this must be



used unless there is an auditable reason not to keep the records required by Rule 6

- Take all necessary legal, financial and professional advice.

2.1.3 When any employee either of the authority or of a service provider may be affected by any transfer arrangement, *Officers* must ensure that the Transfer of Undertaking (Protection of Employment) (*TUPE*) issues are considered and obtain legal advice before proceeding with inviting *Tenders* or *Quotations*.

## **2.2 Directors**

2.2.1 *Directors* must:

- Ensure that their staff comply with Rule 2.1 Keep registers of: Contracts Completed by signature, rather than by the council's seal (see Rule 16.3)
- Arrange their safekeeping on council premises exemptions recorded under Rule 3.2.
- Ensure that where exemptions are obtained under section 3 that they are recorded and stored.

### 3. EXEMPTIONS, COLLABORATIVE AND E-PROCUREMENT ARRANGEMENTS

- 3.1 The council has the power to waive any requirements within these contract procedure rules for specific projects.
- 3.2 Where a proposed contract is likely to exceed the European Union (*EU*) *Threshold*, *Directors* have no delegated powers and the matter has to be determined by the council (see Rule 3.1). No exemption can be used if the EU Procedure applies or if the Total Value exceeds £24,999.
- 3.3 Where an exemption is necessary because of an unforeseeable emergency involving immediate risk to persons, property or serious disruption to council services, the *Officer* and the *Director of Resources* may jointly approve the exemption but they must prepare a report for the next Finance and Corporate Services Committee to support the action taken.
- 3.4 All exemptions, and the reasons for them, must be recorded using the form in the *Purchasing Guidance*. Exemptions shall be signed by the *Officer* and countersigned by the *Director of Resources* and where appropriate the Chairman of the Finance & Corporate Services Committee.
- 3.5 The *Director of Resources* must be consulted prior to commencing any procurement process using Office of Government Commerce (OGC) Buying Solutions Contracts. The terms and conditions of contract applicable to any OGC arrangement, including the requirement to undertake competition between providers, must be fully complied with.
- 3.6 *Financial Officers* must monitor the use of all exemptions.
- 3.7 In order to secure *Value for Money*, the authority may enter into collaborative procurement arrangements. The *Officer* must consult the *Director of Resources* and the ~~*Solicitor*~~ *Monitoring Officer* where the purchase is to be made using collaborative procurement arrangements with another local authority, government department, statutory undertaker or public service purchasing consortium.
  - 3.7.1 All purchases made via a local authority purchasing consortium are deemed to comply with these contract procedure rules and no exemption is required. However, purchases above the *EU Threshold* must be let under the *EU Procedure*, unless the consortium has satisfied this requirement already by letting their contract in accordance with the *EU Procedures* on behalf of the authority and other consortium members.
  - 3.7.2 Any contracts entered into through collaboration with other local authorities or other public bodies, where a competitive process has been followed that complies with the contract procedure rules of the leading organisation, will be deemed to comply with these contract procedure rules and no exemption is required. However, advice must be sought from the *Resources Directorate*.
- 3.8 The use of e-procurement technology does not negate the requirement to comply with all elements of these contract procurement rules, particularly those relating to competition and *Value for Money*.

## 4. RELEVANT CONTRACTS

4.1 All *Relevant Contracts* must comply with these contract procedure rules. A *Relevant Contract* is any arrangement made by, or on behalf of, the authority for the carrying out of works or for the supply of goods, materials or services. These include arrangements for:

- The supply or disposal of goods;
- The hire, rental or lease of goods or equipment;
- The delivery of services, including (but not limited to) those related to:
  - The recruitment of staff
  - Land and property transactions
  - Financial and Consultancy Services

4.2 ***Relevant Contracts do not include:***

- Contracts of employment which make an individual a direct employee of the authority, or
- Agreements regarding the acquisition, disposal, or transfer of land (for which *Financial Regulations* shall apply).

### 4.3 CONTRACT VALUE CALCULATION

Contract value means the estimated aggregate or recurring value payable in pounds sterling exclusive of Value Added Tax over the entire contract period including any extensions of the contract.

Where the contract term without fixed length the estimated value of the contract should be calculated by monthly value of spend multiplied by 48 in accordance with Regulation 8 of the EU regulations.

Contracts must not be artificially underestimated or disaggregated into two or more separate contracts where the effect is to avoid the application of Contract Procedure Rules or English Law.

Where a framework agreement is planned the contract value must be calculated to include the total value of all of the individual contract arrangements envisaged under the Framework Agreement.

### 4.4 EXTENSIONS AND VARIATIONS

Contracts may only be extended or varied if all of the following conditions have been met - the extension or variation is in accordance with the terms and conditions of the existing contract;

the contract has not been extended before the extension or variation has an approved budget allocation;

For advice regarding acceptance thresholds for contract extensions and variations please contact the Director of Resources.

## SECTION 2: COMMON REQUIREMENTS

## 5. STEPS PRIOR TO PURCHASE

- 5.1 The *Officer* must appraise the purchase, in a manner commensurate with its complexity and value and taking into account any guidance in the *Purchasing Guidance*, by:
- Taking into account the requirements from any relevant *Best Value* review appraising the need for the expenditure and its priority defining the objectives of the purchase.
  - Assessing the risks associated with the purchase and how to manage them considering what procurement method is most likely to achieve the purchasing objectives, including internal or external sourcing, partnering, packaging strategy and collaborative procurement arrangements with another local authority, government department, statutory undertaker or public service purchasing consortium.
  - Consulting users as appropriate about the proposed procurement method, contract standards and performance and user satisfaction monitoring.
  - Drafting the terms and conditions that are to apply to the proposed contract setting out these matters in writing if the *Total Value* of the purchase exceeds £50,000
- 5.2 And by confirming that:
- There is Council or delegated approval for the expenditure and the purchase accords with the approved policy framework and scheme of delegation as set out in the *Constitution*

## 6. RECORDS (ACQUISITIONS AND DISPOSALS)

- 6.1 Where the *Total Value* is greater than £500 but less than £50,000, the following records must be kept:
- Invitations to quote and *Quotations*;
  - A record:
    - of any exemptions and the reasons for them;
    - of the reason if the lowest price is not accepted.
  - Written records of communications with the successful contractor or an electronic record if a written record of the transaction would normally not be produced.
- 6.2 Where the *Total Value* exceeds £50,000 the *Officer* must record:
- The method for obtaining bids (see Rule 8.1);
  - Any *Contracting Decision* and the reasons for it;
  - Any exemption under Rule 3 together with the reasons for it;
  - The *Award Criteria* in descending order of importance;
  - *Tender* documents sent to and received from *Candidates*;
  - Pre-tender market research;
  - Clarification and post-tender negotiation (to include minutes of meetings);
  - The contract documents;
  - Post-contract evaluation and monitoring;
  - Communications with *Candidates* and with the successful contractor throughout the period of the contract.

- 6.3 Records required by this rule must be kept for six years after the end of the contract. However, written documents which relate to unsuccessful *Candidates* may be electronically scanned or stored by some other suitable method after 12 months from award of contract, provided there is no dispute about the award.

## 7. ADVERTISING, APPROVED LISTS AND FRAMEWORK AGREEMENTS

### 7.1 Identifying and Assessing Potential Candidates

- 7.1.1 *Officers* shall ensure that, where proposed contracts, irrespective of their *Total Value*, might be of interest to potential *Candidates* located in other member states of the EU, a sufficiently accessible advertisement is published.
- 7.1.2 Generally, the greater the interest of the contract to potential bidders from other member states, the wider the coverage of the advertisement should be. Examples of where such advertisements may be placed include:
- The council's website
  - Portal websites specifically created for contract advertisements (all contracts with a Total Value exceeding £24,999 must be advertised on the Contracts Finder website)
  - National official journals,
- or
- The Official Journal of the European Union (OJEU) / Tenders Electronic Daily (TED) (even if there is no requirement within the *EU Procedure*).
- 7.1.3 *Officers* are responsible for ensuring that all *Candidates* for a *Relevant Contract* are suitably assessed. The assessment process shall establish that the potential *Candidates* have sound:
- Economic and financial standing;
  - Technical ability and capacity to fulfil the requirements of the authority.

### ~~7.2 Approved Lists (for contracts with a Total value not exceeding £24,999)~~

~~7.2.1 Approved Lists should be used where recurrent transactions of a similar type are likely but where such transactions need to be priced individually and cannot easily be aggregated and priced in a single tendering exercise. Approved Lists cannot be used where the EU Procedure applies.~~

~~7.2.2 Directors may draw up in consultation with the Resources Directorate:~~

- ~~• Approved Lists of persons ready to perform contracts to supply goods or services of particular types including without limitation on the basis of agreed contract terms criteria for Short-listing from the lists.~~

~~7.2.3 No person may be entered on an Approved List until there has been an adequate investigation into both their financial and their technical ability to perform the contract, unless such matters will be investigated each time bids are invited from that list.~~

~~7.2.4 Approved Lists must be drawn up after an advertisement inviting applications for inclusion on the list. The advertisement must be placed to secure the widest publicity among relevant suppliers throughout all member states of the EU. Persons may be~~

~~entered on a list between the initial advertisement and re-advertisement provided the requirements of Rule 7.2.3 are met.~~

~~7.2.5 The list and *Short-listing* criteria must be reviewed at least annually and re-advertised at least every three years. On re-advertisement, a copy of the advertisement must be sent to each person on the list, inviting them to reapply. Review means:~~

~~The re-assessment of the financial and technical ability and performance of those persons on the list, unless such matters will be investigated each time bids are invited from that list;~~

~~The deletion of those persons no longer qualified, with a written record kept justifying the deletion.~~

~~7.2.6 All *Approved Lists* shall be maintained in an open, fair and transparent manner and be open to public inspection.~~

~~7.2.7 A register of pre-qualified contractors and *Consultants* maintained by or on behalf of central government (e.g. *Construction line*) will be deemed to be an *Approved List* for the purpose of these contract procedure rules and shall not be subject to the requirements of Rules 7.2.2 to 7.2.6 inclusive.~~

### 7.3 Framework Agreements

7.3.1 The term of a *Framework Agreement* must not exceed four years and, while an agreement may be entered into with one provider, where an agreement is concluded with several organisations, there must be at least three in number.

7.3.2 Contracts based on *Framework Agreements* may be awarded by either:

- applying the terms laid down in the *Framework Agreement* (where such terms are sufficiently precise to cover the particular call-off) without reopening competition, or
- where the terms laid down in the *Framework Agreement* are not precise enough or complete for the particular call-off, by holding a mini competition in accordance with the following procedure:
- inviting the organisations within the *Framework Agreement* that are capable of executing the subject of the contract to submit written *Tenders*;
  - fixing a time limit which is sufficiently long to allow *Tenders* for each specific contract to be submitted, taking into account factors such as the complexity of the subject of the contract;
  - awarding each contract to the tenderer who has submitted the best *Tender* on the basis of the *Award Criteria* set out in the specifications of the *Framework Agreement*.

## SECTION 3: CONDUCTING PURCHASE AND DISPOSAL

### 8. COMPETITION REQUIREMENTS FOR PURCHASE, DISPOSAL AND PARTNERSHIP ARRANGEMENTS

The *Officer* must calculate the *Total Value*.

The following procedures apply where there are no other procedures which take precedence. Other procedures may include agency agreements with government. If in doubt, *Officers* must seek the advice of the Director of Resources.

#### 8.1 Purchasing – Competition Requirements

- 8.1.1 Where the *Total Value* for a purchase is within the values in the first column below, the *Award Procedure* in the second column must be followed. *Short-listing* shall be done by the persons specified in the third column.

Total Value	Award Procedure	Short listing
Up to £5,000	At least one and preferably up to three <i>Quotations</i> . (confirmed in writing where the <i>Total Value</i> exceeds £500)	<i>Officer</i>
£5,001 to £24,999	The Receipt of three written <i>Quotations</i> (this requirement may be waived with the written consent of the <i>Director of Resources</i> in consultation with the Chairman of the Finance & Corporate Services Committee).	<i>Officer and Line Manager</i>
£25,000 to £50,000	<i>Quotations</i> sought by advertisement on Contracts Finder	<i>Officer and Line Manager</i>
£50,001 to <i>EU Threshold</i>	<i>Invitation to Tender</i> by advertisement on Contracts Finder	<i>Officer, Line Manager and Director</i>
<i>Above EU Threshold</i>	<i>EU Procedure</i> or, where this does not apply, <i>Invitation to Tender</i> by advertisement on Contracts Finder	Consult the <i>Essex Procurement Hub</i> – see Rule 8.1.4

- 8.1.2 Where it can be demonstrated that there are insufficient suitably qualified *Candidates* to meet the competition requirement, all suitably qualified *Candidates* must be invited.
- 8.1.3 An *Officer* must not enter into separate contracts nor select a method of calculating the *Total Value* in order to minimise the application of these contract procedure rules.
- 8.1.4 Where the *EU Procedure* is required, the *Officer* shall consult the *Essex Procurement Hub* to determine the method of conducting the purchase.



## 8.2 Assets for Disposal

- 8.2.1 Assets for disposal must be sent to public auction (including electronic auction sites such as eBay) except where better *Value for Money* is likely to be obtained by inviting *Quotations* and *Tenders*. (These may be invited by advertising on the council's internet site.) In the latter event, the method of disposal of surplus or obsolete stocks/stores or assets other than land must be formally agreed with the *Director of Resources*.
- 8.2.2 In the first instance surplus vehicles, plant and equipment should be offered to Parish Council's within the District at a fair price (sold as seen) agreed by the *Director of Resources* in consultation with the relevant *Director*.

## 8.3 Providing Services to External Purchasers

- 8.3.1 The *Director of Resources* and *Financial Regulations and procedures* must be consulted where contracts to work for organisations other than the authority are contemplated.

## 8.4 Collaborative and Partnership Arrangements

- 8.4.1 Collaborative and partnership arrangements are subject to all UK and EU procurement legislation and must follow these contract procedure rules.
- 8.4.2 If in doubt, *Officers* must seek advice of the *Essex Procurement Hub*.

## 8.5 The Appointment of Consultants to Provide Services

- 8.5.1 Consultant architects, engineers, surveyors and other professional *Consultants* shall be selected and commissions awarded in accordance with the procedures detailed within these contract procedure rules and as outlined below.

Total Value	Award Procedure	Short listing
Up to £5,000	At least one and preferably up to three <i>Quotations</i> . (confirmed in writing where the <i>Total Value</i> exceeds £500)	<i>Officer</i>
£5,001 to £24,999	The receipt of three written <i>Quotations</i> (This requirement may be waived with the written consent of the <i>Director of Resources</i> in consultation with the Chairman of the Finance and Corporate Services Committee).	<i>Officer and Line Manager</i>
£25,000 to £50,000	<i>Quotations</i> sought by advertisement on Contracts Finder	<i>Officer and Line Manager</i>
£50,001 to <i>EU Threshold</i>	<i>Invitation to Tender</i> by advertisement on Contracts Finder	<i>Officer, Line Manager and Director</i>
Above <i>EU Threshold</i>	<i>EU Procedure</i> or, where this does not apply, <i>Invitation to Tender</i> by advertisement on Contracts Finder	Consult the <i>Essex Procurement Hub</i> – see Rule 8.1.4



- 8.5.2 The engagement of a *Consultant* shall follow the agreement of a brief that adequately describes the scope of the services to be provided and shall be subject to completion of a formal letter or contract of appointment.
- 8.5.3 Records of consultancy appointments shall be maintained in accordance with Rule 6.
- 8.5.4 *Consultants* shall be required to provide evidence of, and maintain professional indemnity insurance policies to the satisfaction of the relevant *Director* for the periods specified in the respective agreement.

## **9. PRE-TENDER MARKET RESEARCH AND CONSULTATION**

- 9.1 The *Officer* responsible for the purchase:
- May consult potential suppliers prior to the issue of the *Invitation to Tender* in general terms about the nature, level and standard of the supply, contract packaging and other relevant matters, provided this does not prejudice any potential *Candidate*
  - Must not seek or accept technical advice on the preparation of an *Invitation to Tender* or *Quotation* from anyone who may have a commercial interest in them, if this may prejudice the equal treatment of all potential *Candidates* or distort competition, and should seek advice from the *Essex Procurement Hub*.

## **10. STANDARDS AND AWARD CRITERIA**

- 10.1 The *Officer* must ascertain what are the relevant British, European or international standards which apply to the subject matter of the contract. The *Officer* must include those standards which are necessary properly to describe the required quality. The *Director* must be consulted if it is proposed to use standards other than European standards.
- 10.2 The *Officer* must define *Award Criteria* that are appropriate to the purchase and designed to secure an outcome giving *Value for Money* for the authority. The basic criteria shall be:
- 'Lowest price' where payment is to be made by the authority;
  - 'Highest price' if payment is to be received; or
  - 'Most economically advantageous', where considerations other than price also apply.

If the last criterion is adopted, it must be further defined by reference to sub-criteria which may refer only to relevant considerations.

These may include price, service, quality of goods, running costs, technical merit, previous experience, delivery date, cost effectiveness, quality, relevant environmental considerations, aesthetic and functional characteristics (including security and control features), safety, after-sales services, technical assistance and any other relevant matters.

**10.3 Award Criteria must not include:**

- *Non-commercial Considerations*
- Matters which discriminate against suppliers from the *European Economic Area* or signatories to the *Government Procurement Agreement*.

**11. INVITATIONS TO TENDER / QUOTATIONS**

11.1 The *Invitation to Tender* shall state that no *Tender* will be considered unless it is received by the date and time stipulated in the *Invitation to Tender*. No *Tender* delivered in contravention of this clause shall be considered.

**11.2 All *Invitations to Tender* shall include the following:**

- (a) A specification that describes the authority's requirements in sufficient detail to enable the submission of competitive offers.
- (b) A requirement for tenderers to declare that the *Tender* content, price or any other figure or particulars concerning the *Tender* have not been disclosed by the tenderer to any other party (except where such a disclosure is made in confidence for a necessary purpose).
- (c) A requirement for tenderers to complete fully and sign all *Tender* documents including a form of *Tender* and certificates relating to canvassing and non-collusion.
- (d) Notification that *Tenders* are submitted to the council on the basis that they are compiled at the tenderer's expense.
- (e) A description of the *Award Procedure* and, unless defined in a prior advertisement, a definition of the *Award Criteria* in objective terms and if possible in descending order of importance.
- (f) Notification that no *Tender* will be considered unless it is enclosed in a sealed envelope or container which bears the word '*Tender*' followed by the subject to which it relates, but no other name or mark indicating the sender. Proforma *Tender* labels are available from the Committee Services Office. (Refer to TENDERS AND QUOTATIONS – procedure note).
- (g) A stipulation that any *Tenders* submitted by fax or other electronic means shall not be considered with the exception of the Council's electronic tender portal.
- (h) The method by which any arithmetical errors discovered in the submitted *Tenders* is to be dealt with. In particular, whether the overall price prevails over the rates in the *Tender* or vice versa.

11.3 All *Invitations to Tender* or *Quotations* must specify the goods, service or works that are required, together with the terms and conditions of contract that will apply (see Rule 16).

11.4 The *Invitation to Tender* or *Quotation* must state that the council is not bound to accept any *Quotation* or *Tender*.

- 11.5 All *Candidates* invited to *Tender* or quote must be issued with the same information at the same time and subject to the same conditions. Any supplementary information must be given on the same basis. For contracts with a *Total Value* exceeding £24,999, documentation will need to be uploaded to Contracts Finder at the time of publishing the notice.

## **12. SHORTLISTING**

- 12.1 Any *Shortlisting* must have regard to the financial and technical standards relevant to the contract and the *Award Criteria*. Special rules apply in respect of the *EU Procedure*.
- 12.2 The officers responsible for *Shortlisting* are specified in Rule 8.1.1.
- 12.3 Where *Approved Lists* are used, *Shortlisting* may be done by the *Officer* in accordance with the *Shortlisting* criteria drawn up when the *Approved List* was compiled (see Rule 7.2.2). However, where the *EU Procedure* applies, *Approved Lists* may not be used.

## **13. SUBMISSION, RECEIPT AND OPENING OF TENDERS/QUOTATIONS**

- 13.1 *Candidates* must be given an adequate period in which to prepare and submit a proper *Quotation* or *Tender*, consistent with the complexity of the contract requirement. For contracts with a *Total Value* exceeding £24,999, the minimum term for receipt of tenders or quotations from the date advertised is 35 calendar days. The *EU Procedure* lays down specific time periods (see guidance in the *Purchasing Guidance*).
- 13.2 All *Tenders* must be returned to the *Director of Resources*.
- 13.3 *Tenders* received by fax or other electronic means (e.g. email) must be rejected, unless they have been sought in accordance with an electronic tendering system approved by the *Director of Resources*.
- 13.4 The *Officer* must not disclose the names of *Candidates* to any staff involved in the receipt, custody or opening of *Tenders*.
- 13.5 The *Director of Resources* shall be responsible for the safekeeping of *Tenders* until the appointed time of opening. Each *Tender* must be: Suitably recorded so as to subsequently verify the date and precise time it was received adequately protected immediately on receipt to guard against amendment of its contents recorded immediately on receipt in the *Tender Record Log*.
- 13.6 The *Director of Resources* must ensure that all *Tenders* are opened at the same time when the period for their submission has ended. Members will be made aware of the opening arrangements should they wish to observe the process. The *Officer* or his or her representative must be present. *Tenders* must be opened in the presence of two officers representing the *Director of Resources*, neither of whom can be the *Officer*. Where the *Total Value* is more than the *EU Threshold*, one must be the *Director of Resources* or Officer designated by the *Director of Resources*.
- 13.7 Upon opening, a summary of the main terms of each *Tender* (i.e. significant issues that are unique to each *Tender* submission and were not stated in the *Tender* invitation documents such as *Tender* sum, construction period, etc.) must be recorded in the *Tender Record Log*. The summary must be initialled on behalf of the *Director of Resources*.

## 14. CLARIFICATION PROCEDURES AND POST-TENDER NEGOTIATION

- 14.1 Providing clarification of an *Invitation to Tender* to potential or actual *Candidates* or seeking clarification of a *Tender*, whether in writing or by way of a meeting, is permitted. However, discussions with tenderers after submission of a *Tender* and before the award of a contract with a view to obtaining adjustments in price, delivery or content (i.e. post-tender negotiations) must be the exception rather than the rule. In particular, they must not be conducted in an *EU Procedure* where this might distort competition, especially with regard to price.
- 14.2 If post-tender negotiations are necessary after a single-stage *Tender* or after the second stage of a two-stage *Tender*, then such negotiations shall only be undertaken with the tenderer who is identified as having submitted the best *Tender* and after all unsuccessful *Candidates* have been informed. During negotiations tendered rates and prices shall only be adjusted in respect of a corresponding adjustment in the scope or quantity included in the *Tender* documents. *Officers* appointed by the relevant Director to carry out post-tender negotiations should ensure that there are recorded minutes of all negotiation meetings and that both parties agree actions in writing.
- 14.3 Post-tender negotiation must only be conducted in accordance with the guidance issued by the Solicitor who, together with the *Director of Resources*, must be consulted wherever it is proposed to enter into post-tender negotiation. Negotiations must be conducted by a team of at least two *Officers*, one of whom must be from a service independent to that leading the negotiations.
- 14.4 Where post-tender negotiation results in a fundamental change to the specification (or contract terms) the contract must not be awarded but re-tendered.

## 15. EVALUATION, AWARD OF CONTRACT, & DEBRIEFING CANDIDATES

- 15.1 Apart from the debriefing required or permitted by these contract procedure rules, the confidentiality of *Quotations*, *Tenders* and the identity of *Candidates* must be preserved at all times and information about one *Candidate's* response must not be given to another *Candidate*.
- 15.2 Contracts must be evaluated and awarded in accordance with the *Award Criteria*. During this process, *Officers* shall ensure that submitted *Tender* prices are compared with any pre-tender estimates and that any discrepancies are examined and resolved satisfactorily.
- 15.3 The arithmetic in compliant *Tenders* must be checked. If arithmetical errors are found they should be notified to the tenderer, who should be requested to confirm or withdraw their *Tender*. Alternatively, if the rates in the *Tender*, rather than the overall price, were stated within the *Tender* invitation as being dominant, an amended *Tender* price may be requested to accord with the rates given by the tenderer.
- 15.4 *Officers* may accept *Quotations* and *Tenders* received in respect of proposed contracts, provided they have been sought and evaluated fully in accordance with these contract procedure rules and, in respect of proposed contracts that are

expected to exceed £250,000, the approval of the relevant Committee has been secured.

- 15.5 For tenders up to the EU threshold it is best practice to inform all tenderers of the intention to award and give unsuccessful tenderers an opportunity to request feedback on their submission.
- 15.6 The *Officer* shall debrief in writing all those *Candidates* who submitted a bid about the characteristics and relative advantages of the leading bidder. No information, other than the following, should be given without taking the advice of the Solicitor:
1. How the *Award Criteria* were applied
  2. The prices or range of prices submitted, in either case not correlated to
  3. *Candidates'* names
  4. The names of *Candidates* where there were three or more *Candidates*.
- 15.7 If a *Candidate* requests in writing the reasons for a *Contracting Decision*, the *Officer* must give the reasons in writing within 15 days of the request. If requested, the *Officer* may also give the debriefing information at Rule 15.6 above to *Candidates* who were deselected in a pre-tender *Shortlisting* process.

## SECTION 4: CONTRACT AND OTHER FORMALITIES

### 16. CONTRACT DOCUMENTS

#### 16.1 Relevant Contracts

16.1.1 All *Relevant Contracts* that exceed £50,000 shall be in writing.

16.1.2 All *Relevant Contracts*, irrespective of value, shall clearly specify:

- what is to be supplied (i.e. the works, materials, services, matters or things to be furnished, had or done);
- the provisions for payment (i.e. the price to be paid and when);
- the time, or times, within which the contract is to be performed;
- the provisions for the council to terminate the contract.

16.1.3 The council's order form (electronic order system) or standard terms and conditions issued by a relevant professional body must be used wherever possible.

16.1.4 In addition, every *Relevant Contract* of purchase over £50,000 must also state clearly as a minimum:

- that the contractor may not assign or sub-contract without prior written consent;
- any insurance requirements;
- health and safety requirements;
- ombudsman requirements;
- data protection requirements, if relevant;
- that charter standards are to be met if relevant;
- race relations requirements;
- Disability Discrimination Act requirements;
- Freedom of Information Act requirements;
- where *Agents* are used to let contracts, that *Agents* must comply with the council's contract procedure rules;
- a right of access to relevant documentation and records of the contractor for monitoring and audit purposes if relevant.

16.1.5 The formal advice of the Solicitor must be sought for the following contracts:

- where the Total Value exceeds EU Threshold;
- those involving leasing arrangements;
- where it is proposed to use a supplier's own terms;
- those involving the purchase of application software with a Total Value of more than £50,000;
- those that are complex in any other way.

## 16.2 Contract Formalities

16.2.1 Agreements (Contracts and Orders) shall be completed as follows:

Total Value	Method of Completion	By
Up to £5,000	Electronic order	<i>Authorised buyer</i> (see Rule 16.2.3)
£5,001 to £50,000	Electronic order	<i>Authorised Buyer</i> approved by <i>Line Manager</i> (see Rule 16.2.3)
Above £50,001	Signature on written contract	<i>Director or Head of Paid Service</i> (see Rule 16.2.3)

16.2.2 All contracts must be concluded in writing or by email before the supply, service or construction work begins.

16.2.3 The *Officer* responsible for securing signature of the contract must ensure that the person signing for the other contracting party has authority to bind it.

16.2.4 All contract documents must be placed in the central repository in accordance with *Financial Regulations*.

## 16.3 Sealing

16.3.1 Where contracts are completed by each side adding their formal seal, such contracts shall be signed in accordance with the Council's Standing Orders (*Chief Executive* or Deputy and a *Member*).

16.3.2 Every council sealing will be consecutively numbered, recorded and signed by the person witnessing the seal.

16.3.3 A contract must be sealed where:

- the Council may wish to enforce the contract more than six years after its end;
- the price paid or received under the contract is a nominal price and does not reflect the value of the goods or services.



**17. BONDS AND PARENT COMPANY GUARANTEES**

- 17.1 The *Officer* must consult the *Director of Resources* about whether a *Parent Company Guarantee* is necessary when a *Candidate* is a subsidiary of a parent company and:
- the *Total Value* exceeds £250,000; or
  - award is based on evaluation of the parent company; or
  - there is some concern about the stability of the *Candidate*.
- 17.2 **The *Officer* must consult the *Director of Resources* about whether a *Bond* is needed:**
- where the *Total Value* exceeds £250,000, or
  - where it is proposed to make stage or other payments in advance of receiving the whole of the subject matter of the contract and there is concern about the stability of the *Candidate*.

**18. PREVENTION OF CORRUPTION**

- 18.1 The *Officer* must comply with the *Code of Conduct* and must not invite or accept any gift or reward in respect of the award or performance of any contract. High standards of conduct are obligatory. Corrupt behaviour will lead to dismissal and is a crime under the statutes referred to in Rule 18.2 below.
- 18.2 The following clause **must** be put in every written Council contract:
- “The Council may terminate this contract and recover all its loss if the Contractor, its employees or anyone acting on the Contractor’s behalf do any of the following things:*
- (a) offer, give or agree to give to anyone any inducement or reward in respect of this or any other Council contract (even if the Contractor does not know what has been done), or*
  - (b) commit an offence under the Prevention of Corruption Acts 1889 to 1916 or Section 117(2) of the Local Government Act 1972, or*
  - (c) commit any fraud in connection with this or any other Council contract whether alone or in conjunction with Council members, contractors or employees. Any clause limiting the Contractor’s liability shall not apply to this clause.”*

**19. DECLARATION OF INTERESTS**

- 19.1 If it comes to the knowledge of a member or an employee of the authority that a contract in which he or she has a pecuniary interest has been or is proposed to be entered into by the Council, he or she shall immediately give written notice to the *Chief Executive*. The *Chief Executive* shall report such declarations to the appropriate *Committee*.
- 19.2 Such written notice is required irrespective of whether the pecuniary interest is direct or indirect. An indirect pecuniary interest is distinct from a direct pecuniary interest in as much as it is not a contract to which the member or employee is directly a party.



- 19.3 A shareholding in a body not exceeding a total nominal value of £1,000 or 1% of the nominal value of the issued share capital (whichever is the less) is not a pecuniary interest for the purposes of this standing order.
- 19.4 The *Monitoring Officer* shall maintain a record of all declarations of interests notified by members and *Officers*.
- 19.5 The *Chief Executive* shall ensure that the attention of all members is drawn to the National Code of Local Government Conduct.

## **SECTION 5: CONTRACT MANAGEMENT**

### **20. MANAGING CONTRACTS**

- 20.1 *Directors* in sponsoring departments are to name contract managers for all new contracts. All contracts must have a named council contract manager for the entirety of the contract.
- 20.2 Contract Managers must follow the procedures set out in the council's *Purchasing Guidance*.

### **21. RISK ASSESSMENT AND CONTINGENCY PLANNING**

- 21.1 A business case must be prepared for all procurements with a potential value over the *EU Threshold*. Provision for resources for the management of the contract, for its entirety, must be identified in the business case.
- 21.2 For all contracts with a value of over £50,000, contract managers must:
- maintain a risk register during the contract period;
  - undertake appropriate risk assessments and for identified risks;
  - ensure contingency measures are in place.

### **22. CONTRACT MONITORING, EVALUATION AND REVIEW**

- 22.1 All contracts which have a value higher than the *EU Threshold* limits, or which are *High Risk*, are to be subject to monthly formal review with the contractor. The review may be conducted quarterly if permitted by the *Director of Resources*.
- 22.2 For all contracts with a value higher than the *EU Threshold* limits, or which are *High Risk*, an annual report must be submitted to the relevant Committee.
- 22.3 The Council's approved *project management methodology* must be applied to all contracts deemed to be *High Risk*, *High Value*, or *High Profile*.
- 22.4 During the life of the contract, the *Officer* must monitor in respect of:
- performance;

- compliance with specification and contract cost;
- any *Value for Money* requirements;
- user satisfaction and risk management.

22.5 Where the *Total Value* of the contract exceeds £250,000, the *Officer* must make a written report to the relevant Committee evaluating the extent to which the purchasing need and the contract objectives (as determined in accordance with Rule 5.2) were met by the contract. This should be done normally when the contract is completed. Where the contract is to be re-let, a provisional report should also be available early enough to inform the approach to re-letting of the subsequent contract.

## DEFINITIONS APPENDIX

<b>Agent</b>	A person or organisation acting on behalf of the council or on behalf of another organisation.
<b>Approved Buyer</b>	<i>Officer</i> Designated by a <i>Director</i> who is authorised to generate electronic orders on behalf of the Council.
<b>Approved List</b>	A list drawn up in accordance with Rule 7.2.
<b>Award Criteria</b>	The criteria by which the successful <i>Quotation</i> or <i>Tender</i> is to be selected (see further Rules 10 and 11.2e).
<b>Award Procedure</b>	The procedure for awarding a contract as specified in Rules 8, 10 and 15.
<b>Best Value</b>	The duty, which Part I of the Local Government Act 1999 places on local authorities, to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness as implemented by the council. This terminology has now in many instances been superseded by <i>Value for Money</i> .
<b>Bond</b>	An insurance policy: if the contractor does not do what it has promised under a contract with the council, the council can claim from the insurer the sum of money specified in the bond (often 10% of the contract value). A bond is intended to protect the council against a level of cost arising from the contractor's failure.
<b>Candidate</b>	Any person who asks or is invited to submit a <i>Quotation</i> or <i>Tender</i> .
<b>Chief Executive</b>	The Council's <i>Head of Paid Service</i> has defined in the <i>Constitution</i> .
<b>Chief Finance Officer</b>	The Officer Designated Chief Finance Officer (Section 151 Officer) by the Council.
<b>Code of Conduct</b>	The code regulating conduct of <i>Officers</i> issued by the <i>Chief Executive</i> .
<b>Committee</b>	A Committee which has power to make decisions for the Council, for example a joint Committee with another local authority, but not the scrutiny Committee.
<b>Commissioning &amp; Procurement Strategy</b>	The document setting out the council's approach to commissioning and procurement, setting out key priorities for the next few years.
<b>Constitution</b>	The constitutional document approved by the council which: <ul style="list-style-type: none"> <li>• allocates powers and responsibility within the council and between it and others;</li> <li>• delegates authority to act to the <i>Committees</i>, and</li> </ul>

	<p><i>Officers;</i></p> <ul style="list-style-type: none"> <li>regulates the behaviour of individuals and groups through rules of procedure, codes and protocols.</li> </ul>
<b>Consultant</b>	Someone employed for a specific length of time to work to a defined project brief with clear outcomes to be delivered, who brings specialist skills or knowledge to the role, and where the council has no ready access to employees with the skills, experience or capacity to undertake the work.
<b>Contracting Decision</b>	<p>Any of the following decisions:</p> <ul style="list-style-type: none"> <li>composition of <i>Approved Lists</i>;</li> <li>withdrawal of <i>Invitation to Tender</i>;</li> <li>whom to invite to submit a <i>Quotation</i> or <i>Tender</i>;</li> <li><i>Shortlisting</i>;</li> <li>award of contract;</li> <li>any decision to terminate a contract.</li> </ul>
<b>Corporate Contract</b>	A contract let by the <i>Council</i> to support the council's aim of achieving <i>Value for Money</i> .
<b>Director</b>	One of three Directors responsible for operational delivery of services and designated as such in the <i>constitution</i>
<b>Director of Resources</b>	Director responsible for financial and procurement activities and internal audit
<b>Essex Procurement Hub</b>	The council's central procurement partner charged with providing strategic direction and advice to secure <i>Value for Money</i> in the Council's procurement activities. The hub also has EU regulations legal expertise.
<b>EU Procedure</b>	The procedure required by the EU where the <i>Total Value</i> exceeds the <i>EU Threshold</i> .
<b>EU Threshold</b>	The contract value at which the EU public procurement directives apply.
<b>European Economic Area</b>	The 27 of the 28 members of the European Union, and Norway, Iceland and Liechtenstein.
<b>Financial Officer</b>	The most senior <i>Officer</i> representing the <i>Director of Resources</i> or designated by him/her to provide financial advice to the <i>Director</i> .
<b>Financial Regulations and procedures</b>	The financial regulations and procedures outlining <i>Officer</i> responsibilities for financial matters issued by the <i>Chief Finance Officer</i> in accordance with the <i>Constitution</i> .

<b>Framework Agreement</b>	An agreement between one or more authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.
<b>Government Procurement Agreement</b>	The successor agreement to the General Agreement on Trade and Tariffs. The main signatories other than those in the <i>European Economic Area</i> are the USA, Canada, Japan, Israel, South Korea, Switzerland, Norway, Aruba, Hong Kong, China, Liechtenstein and Singapore.
<b>Head of Paid Service</b>	The Council's <i>Chief Executive</i> .
<b>High Profile</b>	A high-profile purchase is one that could have an impact on functions integral to council service delivery should it fail or go wrong.
<b>High Risk</b>	A high-risk purchase is one which presents the potential for substantial exposure on the council's part should it fail or go wrong.
<b>High Value</b>	A high-value purchase is where the value exceeds the <i>EU Threshold</i> values.
<b>Invitation to Tender</b>	Invitation to tender documents in the form required by these contract procedure rules.
<b>Key Decision</b>	Decisions that are defined as key decisions in the <i>Constitution</i> .
<b>Line Manager</b>	An <i>Officer</i> designated by a <i>Director</i> to exercise the role reserved to the Line Manager by the contract procedure rules, this will be a Level 2 Manager (i.e. managers that report directly to a Director).
<b>Members</b>	Persons currently elected to serve on the Council
<b>Monitoring Officer</b>	The <i>Officer</i> defined as such in the <i>Constitution</i>
<b>Nominated Suppliers and Sub-contractors</b>	Those persons specified in a main contract for the discharge of any part of that contract.

<b>Non-commercial Considerations</b>	<ul style="list-style-type: none"> <li>a) The terms and conditions of employment by contractors of their workers or the composition of, the arrangements for the promotion, transfer or training of or the other opportunities afforded to, their workforces ('workforce matters').</li> <li>b) Whether the terms on which contractors contract with their sub-contractors constitute, in the case of contracts with individuals, contracts for the provision by them as self-employed persons of their services only.</li> <li>c) Any involvement of the business activities or interests of contractors with irrelevant fields of government policy.</li> <li>d) The conduct of contractors or workers in industrial disputes between them or any involvement of the business activities of contractors in industrial disputes between other persons ('industrial disputes').</li> <li>e) The country or territory of origin of supplies to, or the location in any country or territory of the business activities or interests of, contractors.</li> <li>f) Any political, industrial or sectarian affiliations or interests of contractors or their directors, partners or employees.</li> <li>g) Financial support or lack of financial support by contractors for any institution to or from which the authority gives or withholds support.</li> <li>h) Use or non-use by contractors of technical or professional services provided by the authority under the Building Act 1984 or the Building (Scotland) Act 1959. Workforce matters and industrial disputes, as defined in paragraphs (a) and (d), cease to be non-commercial considerations to the extent necessary or expedient to comply with Best Value; or where there is a transfer of staff to which the Transfer of undertakings. (Protection of Employment) Regulations 1981 (<i>TUPE</i>) may apply.</li> </ul>
<b>Officer</b>	The Officer designated by the Director to deal with the contract in question.
<b>Parent Company Guarantee</b>	<p>A contract which binds the parent of a subsidiary company as follows:</p> <ul style="list-style-type: none"> <li>• if the subsidiary company fails to do what it has promised under a contract with the council, the council can require the parent company to do so instead.</li> </ul>
<b>Priority Services</b>	Those services required to be tendered as defined in the EU public procurement directives.
<b>Procurement Strategy</b>	The document setting out the council's approach to procurement and key priorities for the next few years.
<b>Project</b>	The process set up by the Council to ensure that a project is

<b>Management Methodology</b>	executed in a disciplined and structured manor
<b>Purchasing Guidance</b>	The suite of guidance documents, together with a number of standard documents and forms, which supports the implementation of these Contract Procedure Rules. The guidance is available on the council's intranet.
<b>Quotation</b>	A quotation of price and any other relevant matter (without the formal issue of an <i>Invitation to Tender</i> ).
<b>Relevant Contract</b>	Contracts to which these contract procedure rules apply (see Rule 4).
<b>Resources Directorate</b>	The directorate of the Council that includes responsibility for discharging the Council's procurement responsibilities
<b>Service</b>	The services provided by the Council are currently broken down into three directorates, each under the responsibility of a <i>Director</i> .
<b>Short-listing</b>	The process of selecting <i>Candidates</i> who are to be invited to quote or bid or to proceed to final evaluation.
<b>Solicitor</b>	Any Solicitor designated by the Council's Chief Executive or the Monitoring Officer.
<b>Standing Orders</b>	Part of the Council's <i>Constitution</i> specifying rules for how business shall be conducted.
<b>Supervising Officer</b>	The <i>Line Manager's</i> immediate superior.
<b>Tender</b>	A <i>Candidate's</i> proposal submitted in response to an <i>Invitation to Tender</i> .
<b>Tender Record Log</b>	The log kept by the <i>Director of Resources</i> to record details of <i>Tenders</i> (see Rule 13.5).
<b>Total Value</b>	<p>The whole of the value or estimated value (in money or equivalent value) for a single purchase or disposal calculated as follows:</p> <ul style="list-style-type: none"> <li>(a) where the contract is for a fixed period, by taking the total price to be paid or which might be paid during the whole of the period.</li> <li>(b) where the purchase involves recurrent transactions for the same type of item, by aggregating the value of those transactions in the coming 12 months.</li> <li>(c) where the contract is for an uncertain duration, by multiplying the monthly payment by 48.</li> <li>(d) for feasibility studies, the value of the scheme or</li> </ul>

contracts which may be awarded as a result.

- (e) for *Nominated Suppliers and Sub-contractors*, the total value shall be the value of that part of the main contract to be fulfilled by the *Nominated Supplier or Sub-contractor*.

**TUPE**

**(Transfer of  
Undertakings  
(Protection of  
Employment)  
Regulations 2006)  
(SI 2006 No.246)**

Subject to certain conditions, these regulations apply where responsibility for the delivery of works or services for the authority is transferred from one organisation (e.g. private contractor, local authority in-house team) to another (e.g. following a contracting out or competitive tendering process) and where the individuals involved in carrying out the work are transferred to the new employer. These regulations seek to protect the rights of employees in such transfers, enabling them to enjoy the same terms and conditions, with continuity of employment, as existed with their former employer. Broadly, TUPE regulations ensure that the rights of employees are transferred along with the business.

**Value for Money**

Value for money is not the lowest possible price; it combines goods or services that fully meet your needs, with the level of quality required, delivery at the time you need it, and at an appropriate price.





**REPORT of  
DIRECTOR OF CUSTOMERS AND COMMUNITY**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
28 NOVEMBER 2017**

**PROMENADE PARK, MALDON - INCOME SHARE FOR THE MALDON MUD RACE**

**1. PURPOSE OF THE REPORT**

- 1.1 To consider a request from the Maldon Mud Race Ltd for increasing the income share time allocation for the parking charges for Promenade Park, Maldon during the Maldon Mud Race 2017.

**2. RECOMMENDATIONS**

- (i) That the comments from the Community Services Committee on the 29 August relating to this matter be noted;
- (ii) That car parking income received from 11.30 am until 5.30 pm on 07 May 2017, for the Maldon Mud Race 2017, in the sum of £2,956.30, be shared on a 50:50 basis with the Maldon Mud Race Ltd.
- (iii) That Officers inform Maldon Mud Race Limited that they must ensure their accounts are filed with Companies House before any future requests are made to the Council for financial assistance.

**3. SUMMARY OF KEY ISSUES**

- 3.1 The Maldon Mud Race Ltd held the Maldon Mud Race 2017 in Promenade Park on 7 May 2017.
- 3.2 In 2014, 2015 and 2016 Members agreed to limit the donation from car parking income to coincide with the times of the event and that income be shared on a 50:50 split of the car park fees taken (Minute Nos. 882, 851 and 873 refer).
- 3.3 The Maldon Mud Race Ltd undertook the stewarding of the parking areas from 9.00 am and Council staff were available for enforcement and to help to deal with any problems on the day. Car park machines operated as normal throughout the day.
- 3.4 The 2017 Mud Race started at 4:00pm. This is a much later time for the race to commence than in other years. The organisers (Maldon Mud Race Ltd) have approached the Council requesting that the income share from car parking from this year's event be for a longer period. They have requested a 50:50 share of income

from 11.30 am until 5.30 pm on 7 May 2017, a copy of the request is attached at **APPENDIX 1**. A copy of the Maldon Mud Race Limited current accounts are attached at **APPENDIX 2**. The previous agreement was for two hours before and after the start time of the mud race which would have meant a donation of £891.30 for this year.

- 3.5 The Maldon Mud Race Limited for 2017 increased the activities throughout the day for the public to enjoy with a view to encouraging them to arrive earlier and stay for longer. The 2017 event saw entertainers, singers, food stalls, a duck race and a juvenile fair as part of the event. With the additional entertainment the organisers were hoping that this would result in an increase to the income collected during the event. Officers would like to understand the organiser's future plans and it is, therefore, suggested that a report is brought back to Members accordingly.
- 3.6 The organisers believe that more people arrived earlier for the race and parked their vehicles for a longer period of time. If so, the monies will not be included in the calculation of the income they would have received. For example, a customer arriving at 1.00 pm and purchasing a three hours or all day pay and display ticket will not be included in the Council's calculations.
- 3.7 The actual income taken by the machines between 11.30 am and 5.30 pm on Sunday 7 May 2017 was £2,956.30. This would be a donation of £1,478.15.
- 3.8 **Community Services Committee**
- 3.8.1 The Community Services Committee considered the request from Maldon Mud Race Limited at its meeting on 29 August 2017. Following a lengthy debate the Committee resolved that:
- (i) that the Finance and Corporate Services Committee be **recommended** to not change the current policy in respect of the Maldon Mud Race, that being car parking income received two hours before and after the start of the Maldon Mud Race 2017 is shared on a 50:50 basis with the Maldon Mud Race Ltd and reviewed on an annual basis;
  - (ii) that Officers report back to this Committee on the future arrangements for the Maldon Mud Race.

#### **4. CONCLUSIONS**

- 4.1 The agreement to share the Car Park income between the Council and the Maldon Mud Race Ltd has been in place for a number of years now. The Finance and Corporate Services Committee on 14 June 2016 considered arrangements for the sharing of car park income for the Maldon Mud Race in 2016 and 2017 and resolved (Minute No. 183 refers) that:
- (i) *car parking income received on the day of the Maldon Mud Race 2016 between the times of 10:00am and 2:00pm be shared on a 50:50 basis with the Maldon Mud Race Ltd;*

- (ii) *the car parking income received two hours before and after the start of the Maldon Mud Race in 2017, is shared on a 50:50 basis with the Maldon Mud Race Ltd and reviewed on an annual basis.*

- 4.2 As the 2017 Mud Race commenced at 4.00 pm, Officers would agree that some people would arrive earlier in the day to see the Mud Race and use the other entertainments provided by the organisers, (e.g. duck race and funfair). To help facilitate, the stewarding was in place at an earlier time to help order and maximise the room in the car park. The Mud Race costs have therefore increased, and it would be logical to increase the income share for the 2017 race.
- 4.3 Officers will inform Maldon Mud Race Limited that the most recent Accounts must be filed with Companies House before any request is made to the Council for a decision on any income share arrangements.

## 5. IMPACT ON CORPORATE GOALS

- 5.1 This activity supports the corporate goals of enabling, supporting and empowering communities to be active, safe and healthy and to be an authority that delivers good quality, cost effective and valued services in a transparent way.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – There is a significant beneficial impact on the town of Maldon during the mud race and, with proper control, any negative impact on Promenade Park, its visitors and on local residents will be kept to a minimum.
- (ii) **Impact on Equalities** – The Maldon Mud Race seeks to attract all visitors and does not seek to disadvantage any visitor to the event. The charitable giving enabled by the event supports a wide range of local charities.
- (iii) **Impact on Risk** – None.
- (iv) **Impact on Resources (financial)** –The following donations have been made to the Maldon Mud Race Ltd:
- 2016.....£1,725.23.
  - 2015 .....£585.24
  - 2014 .....£1,282.06

The total income for the proposed six hour income scheme period was £2,956.30. This would equate to a donation on £1,478.15. This figure compares to the £891.30 which was originally agreed, and represents an increased donation of £586.85.

- (v) **Impact on Resources (human)** - Officer time in dealing with such a major event on Council land both in pre-planning work and on the day of the event. This is recharged back to the Maldon Mud Race Limited.

(vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to:

Richard Heard, Leisure, Leisure and Community Services Manager, (Tel 01621 875838).



121 Washington Road

Maldon  
Essex  
CM9 6AR

10<sup>th</sup> May 2017

Richard Heard  
Maldon District Council  
Princess Road  
Maldon

Dear Richard,

**Maldon Mud Race 7<sup>th</sup> May 2017, Promenade Park Maldon**

I am writing on behalf of the Charity to thank you and your staff for the excellent support you and your staff in supporting the event over the two days of the initial setup day the event and take down.

As you are aware we are concerned with regard to the main promenade park, car parks and the hours laid down in your letter concerning the hours in which the charity would benefit from 50% of the net proceeds on the day of the race, this being two hours before the race and two hours after the race.

The race this year was scheduled for a 16.30pm start which effectively means that we would receive net monies between the hours of 14.30pm and 18.30pm. The charity as in the past provided car park stewards, at its own significant cost, to provide management of the park car parks from 09.30am until 18.00pm this year.

Clearly the car parks will start to fill well before 14.30pm of which the Council would receive full benefit of fees collected. The Charity has in the past, controlled the Car parks and charged each vehicle on entry, however we changed to using the automatic machines which give a print out of the receipts for the day.

We would therefore ask the council to reconsider the four hour limit and ask that the times when the Charity receives the benefit of the charges from 11.30am to 17.30pm this year

Yours sincerely

Brian K Farrington

The Maldon Mud Race Limited is registered in England and Wales No. 07102189. Registered Charity No. 1135532



Winner Pride of Essex Award

2014

Chairman



The Maldon Mud Race Limited is registered in England and Wales No. 07102189. Registered Charity No. 1135532



Winner Pride of Essex Award

2014



**THE MALDON MUD RACE LTD**

**(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**CHARITY REGISTRATION NUMBER: 1135532**

**COMPANY REGISTRATION NUMBER: 07102189**



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**THE MALDON MUD RACE LIMITED****LEGAL AND ADMINISTRATIVE DETAILS**30 SEPTEMBER 2016

---

**Charity registration number:** 1135532

**Company registration number:** 07102189

**Principal address:** 27 Hurst Green  
Brightlingsea  
Essex CO7 0HA

**Registered office address:** 27 Hurst Green  
Brightlingsea  
Essex CO7 0HA

**Trustees:** Brian Farrington  
Ian Weller  
Colin McIntosh  
Roy Hemsworth  
David Rayner  
Emma Harris  
Sarah Weller  
Lee Taylor

**Directors:** Brian Farrington  
Ian Weller  
Colin McIntosh  
Roy Hemsworth  
David Rayner  
Emma Harris  
Sarah Weller  
Lee Taylor

The charity's professional advisers are as follows:

**Bankers:**

Barclays Bank plc  
9 High Street  
Colchester  
CO1 1DA

**THE MALDON MUD RACE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

The trustees submit their annual report and the unaudited financial statements for the year ended 30 September 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the charity.

The charity is a charitable company limited by guarantee and was set up 11 December 2009. It is governed by a memorandum and articles of association. Its objects are to further such charitable purposes as the Trustees may determine, in particular by the provision of grants to other Charities.

**Structure, governance and management**

The Maldon Mud Race Limited is an incorporated charity and a company limited by guarantee. The policy of the charitable company is directed by the Trustees themselves. There are nine honorary officers who are regarded as trustees of The Maldon Mud Race Limited as they are responsible for the management of the charitable company.

The Trustees are also regarded as the directors of the charitable company ("the charity") for the purposes of company law and also its trustees for purposes of charity law. The trustees' report clarifies that it is a directors' report required by Section 417 of the Companies Act 2006 and that all trustees are directors.

The trustees are elected annually at the Annual General Meeting and those who served during the financial period ended 30 September 2016 are listed on the attached schedule of Legal and Administrative Information. Each trustee's role on the Board would be reviewed at least every 3 years.

The board of trustees meet monthly in order to meet their responsibilities, and administer the charity. There is a management team with two members, who monitor the day to day activities, administration and finance of the

**Objectives and activities**

The objects for which the company is established is to further such charitable purposes as the Trustees may determine, in particular by the provision of grants to other charities.

To achieve the objectives of the charity a yearly race across the river Blackwater is held when it is at its lowest tide during Spring each year. This takes place from the quay at Maldon Promenade. Competitors who enter raise sponsorship for the nominated charities of the Maldon Mud Race and can have 50% of their sponsorship raised donated to a registered charity of their choice. Other events are being considered.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The charity has complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

**Achievements and performance**

The state of the company's affairs and the results for the period are shown in the attached accounts.



**THE MALDON MUD RACE LIMITED****TRUSTEES' ANNUAL REPORT****FOR THE YEAR ENDED 30 SEPTEMBER 2016****Investment policy and returns**

The charitable company has the power to invest money not immediately required for its objectives in or upon such investments, securities or property as the association may think fit, subject to such conditions imposed by law.

**Financial review**

The trustees monitor the progress of activities at each monthly meeting and a comprehensive review is carried out annually. Unrestricted funds are needed:

to provide funds which can be designated to specific projects to enable these projects to be undertaken at short notice

to cover administration and support costs without which the charity could not function

The trustees consider it prudent that unrestricted reserves should be sufficient:

to avoid the necessity of realising fixed assets held for the charity's use

to cover one year's administration and support costs

to provide financial flexibility over the course of forthcoming challenges

**Reserves policy**

The trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be sufficient to fund the initial pre-race expenditure. The present level of reserves is considered sufficient for this purpose.

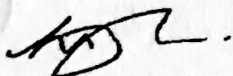
The Trustees have established a designated special project fund separate from the general fund. The purpose of this fund is to provide funding for future one off special projects that may be identified from time to time that the trustees feel are worthy of a significant separate donation. It is the intention of the Trustees to build this fund and to maintain it to a level of £30,000. Funds will be added each year as the Trustees see fit to reach the desired level, without prejudicing current levels of annual donations to charities.

The trustees carry out an annual review of the risks which the charitable company may face and set out the procedures to minimise any potential impact on the charitable company should any of the risks materialise.

**Charitable Donations**

The company made charitable donations during the year to a total sum of £16,734.

Signed on behalf of the trustees



\_\_\_\_\_  
Lee Taylor

Date: 28 January 2017

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE MALDON MUD RACE LIMITED

---

We report on the accounts for the year ended 30 September 2016 set out on pages 6 to 9

### Respective responsibilities of directors and reporting accountants

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this period under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied ourselves that the charity is not subject to an audit under company law and is eligible for independent examination, it is our responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 43(7)(b) of the Act, as amended); and
- state whether particular matters have come to our attention.

### Basis of independent examiner's statement

Our examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

### Independent examiner's statement

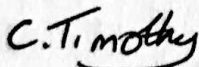
In connection with our examination, no matter has come to our attention:

which gives us reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

to which, in our opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Cameron Timothy  
174 Burrs Road  
Clacton on Sea  
Essex, CO15 4LH

Date: 28 January 2017



## THE MALDON MUD RACE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
30 SEPTEMBER 2016

	Designated Funds	Unrestricted Funds	Year 2016	Year 1905
	£	£	£	£
<b>Incoming Resources</b>				
Incoming resources from generated funds:				
<b>Activities for generating funds:</b>				
Corporate Sponsorship	2,000	10,430	12,430	12,875
Competitors Donations	737	22,447	23,184	27,026
Gift Aid Received	-	4,281	4,281	5,241
Race Entry Fees	10,151	14,850	25,001	23,519
Events Income	-	4,498	4,498	1,897
Stalls	-	2,800	2,800	1,125
Merchandise and concessions	-	126	126	273
Trailer Hire	-	1,070	1,070	515
<b>Total Incoming resources</b>	<b>12,888</b>	<b>60,502</b>	<b>73,390</b>	<b>72,471</b>
<b>Resources expended</b>				
Cost of generating funds:				
Direct charity expenditure:				
Sound and vision costs	775	13,390	14,165	14,580
Events security costs	802	5,064	5,866	6,950
Competitors race pack	3,584	3,708	7,292	6,128
Merchandise	-	986	986	1,171
Prizes	-	472	472	528
Signage and equipment hire costs	-	900	900	882
Events sundry costs	4,976	6,133	11,109	5,483
Insurance	-	2,229	2,229	1,868
Presentation	450	726	1,176	900
Games & golf day	-	-	-	1,218
MyDonate charges	-	234	234	252
Paypal charges	-	272	272	272
Stripe charges	234	216	450	145
Depreciation	-	2,553	2,553	2,396
Governance costs:				
Website expenses	720	569	1,289	1,994
Bad debts written off	-	2,000	2,000	-
Printing, postage and stationery	251	725	976	1,197
Sundry expenses	-	98	98	417
Director's insurance	-	239	239	239
	<b>11,792</b>	<b>40,514</b>	<b>52,306</b>	<b>46,620</b>
Charitable activities				
Donations to institutions	80	16,654	16,734	22,386
<b>Total resources expended</b>	<b>11,872</b>	<b>57,168</b>	<b>69,040</b>	<b>69,006</b>
<b>Net movement on funds</b>	<b>1,016</b>	<b>3,334</b>	<b>4,350</b>	<b>3,465</b>
Transfers between funds	-	-	-	-
<b>Net incoming resources (resources expended)</b>	<b>1,016</b>	<b>3,334</b>	<b>4,350</b>	<b>3,465</b>
<b>Funds at 01 October 2015</b>	<b>16,552</b>	<b>9,317</b>	<b>25,869</b>	<b>22,404</b>
<b>Funds at 30 September 2016</b>	<b>17,568</b>	<b>12,651</b>	<b>30,219</b>	<b>25,869</b>

Unrestricted funds represents the free funds of the charity which are not designated for particular purposes.

The Special Projects Fund has been designated by the trustees to provide funding for special projects that may arise in the future.

## THE MALDON MUD RACE LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2016

	Notes	2016 £	2015 £
<b>Tangible fixed assets</b>	3	769	2,696
<b>Current assets</b>			
Stock	4	3,382	3,040
Trade debtors, prepaid expenses and accrued income		1,417	1,580
Cash at bank and in hand		49,211	53,368
		54,010	57,988
<b>Current liabilities</b>			
Accrued expenses and prepaid income		(24,560)	(34,815)
<b>Total assets less current liabilities</b>		<b>30,219</b>	<b>25,869</b>
<b>Funds</b>			
Unrestricted funds - General		12,651	9,317
Designated funds - Xmas Fayre		-	80
Designated funds - Half Marathon		1,568	472
Designated funds - Special Projects		16,000	16,000
<b>Total funds</b>		<b>30,219</b>	<b>25,869</b>

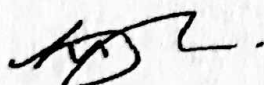
For the financial year ended 30 September 2016 the company was entitled to exemption from audit under the provisions of sections 475 and 477 of the Companies Act 2006.

No member or members eligible has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- complying with the requirements of the Companies Act 2006 with respect to accounting records; and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its surplus or deficit for the period in accordance with the requirements of section 394 and 395 of the Companies Act 2006 and which otherwise comply with the requirements of that Act relating to financial statements so far as they are applicable to the company.

Approved by the Board of Trustees and signed on its behalf by:



Lee Taylor  
Trustee

Date: 28 January 2017

Company registration number : 07102189

Charity registration number: 1135532



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

---

**1 Accounting policies**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

**1.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Company Act 2006 and in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities published in 2005 and applicable accounting standards.

**1.2 Company status**

The Charity is a company limited by guarantee. The members of the company are the trustees named in page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**1.3 Incoming resources*****Incoming resources from operating activities***

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it.

***Donations***

Income from donations are included in incoming resources when it is received.

***Investment Income***

Investment income is recognised in the accounts when it is received.

**1.4 Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis, including VAT. Certain expenditures are directly attributable to charitable activities and have been included in Direct Charitable expenditure.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

**1.5 Stock**

value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

**1.6 Taxation**

The company is a charity within the meaning of the Charities Act 2011 and as such is a charity within the meaning of part 11, Corporation Tax Act 2010. According the company is potentially exempt from taxation in respect of income or gains received with categories covered by Part11, Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purpose.

## THE MALDON MUD RACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 SEPTEMBER 2016

**1.7 Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £1,000 are capitalised at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Motor vehicles	over 4 years
Equipment	over 3 years

Impairment reviews are carried out as and when evidence comes to light that the recoverable amount of a functional fixed asset is below its net book value due to damage, obsolescence or other relevant factors.

**1.8 Fund accounting**

Funds held by the charity are either:

**Unrestricted general funds** - these are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

**Designated funds** - these are funds that comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**Restricted funds** - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Investment income and gains are allocated to the appropriate fund.

**2 Trustee directors and employees**

The trustees neither received nor waived any emoluments during the year, and were not paid or reimbursed for expenses during the current year.

**3 Tangible fixed assets**

	Vehicles & Equipment £
<b>Cost</b>	
At 01 October 2015	13,598
Additions	626
<b>At 30 September 2016</b>	<b>14,224</b>
<b>Depreciation</b>	
At 01 October 2015	10,902
Charge for the year	2,553
<b>At 30 September 2016</b>	<b>13,455</b>
<b>Net book value</b>	
At 30 September 2016	769
At 30 September 2015	2,696



## THE MALDON MUD RACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 SEPTEMBER 2016

**4 Stock**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Goods and other assets purchased for resale	2,814	2,418
Consumable stores	568	622
	<b><u>3,382</u></b>	<b><u>3,040</u></b>

**5 Legal Status**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. For this purpose 'members' includes persons who ceased to be members within one year of such winding up.

	<b>2016</b>	<b>2015</b>
Members at the financial year end.	<b><u>8</u></b>	<b><u>8</u></b>

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## **REPORT of DIRECTOR OF RESOURCES**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
28 NOVEMBER 2017**

### **SUPPLEMENTARY ESTIMATES, VIREMENTS AND USE OF RESERVES: 1 AUGUST – 31 OCTOBER 2017**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To report virements and supplementary estimates agreed under delegated powers to this Committee.
- 1.2 To inform Members of procurement exemptions that has been granted in the period.
- 1.3 To ask for Members' approval of requested drawdowns on reserves

#### **2. RECOMMENDATION**

- (i) That the supplementary estimate granted during the period, as detailed in paragraph 3.3 below, be noted;
- (ii) That the virement granted during the period, as detailed in paragraph 3.2 below, be noted;
- (iii) That the request to drawdown from the Repairs and Renewals reserve is approved.

#### **3. SUMMARY OF KEY ISSUES**

##### **3.1 Rules and Regulations**

- 3.1.1 The approval and reporting arrangements in relation to virements and supplementary estimates are set out in the Financial Regulations and Financial Procedures. These are as follows:

##### Virements (movements) within the same budget head:

- Agreed by the relevant Director and the Director of Resources.

##### Virements between different budget heads:

- Up to £20,000 – Director and Director of Resources and reported in monthly Members Bulletin;

- Over £20,000 up to £50,000 – Director, Director of Resources, in Consultation with relevant Standing Committee Chairman and reported to the next Finance and Corporate Services Committee;
- Over £50,000 - the Finance and Corporate Services Committee.

Supplementary estimates:

- Up to £20,000 – Director, Director of Resources and Chief Executive in consultation with the Chairman of the Finance and Corporate Services Committee and the Leader of the Council and reported to the next meeting of the Finance and Corporate Services Committee;
- Over £20,000 – the Finance and Corporate Services Committee.

3.1.2 The Contract Procedure Rules provide information in relation to procurement exemptions. The exemption enables the council to waive any requirements within the contract procedure rules for specific projects.

3.1.3 Procurement exemptions should be signed by the Officer and countersigned by the Director of Resources and where appropriate the Chairman of the Finance and Corporate Services Committee.

### 3.2 **Virements**

3.2.1 A virement was required of £25,500 from the Corporate Core Salaries budget to Committee Services Salaries to fund the continuing agency costs of a locum solicitor and a temporary solicitor to provide maternity cover for the Legal and Democratic Services Manager and Senior Solicitor.

### 3.3 **Supplementary Estimates**

3.3.1 One Capital supplementary estimate relating to this period was received and granted. The supplementary capital estimate was requested for £16,200 for a contribution towards a new Unisex Disability Changing Room at the Blackwater Leisure Centre.

### 3.4 **Procurement Exemptions**

3.4.1 There were no procurement exemptions to report.

### 3.5 **Drawdown of Reserves**

3.5.1 One request for a drawdown from the Repairs and Renewals reserve has been received relating to the replacement of a hoist at the Blackwater Leisure Centre. The hoist is used on a weekly basis by the Barracudas Disability Swim club along with other disabled users. The current hoist is at the end of its life and continually breaks down. The amount requested is £7,500 and members are asked for approval for the request.

#### 4. CONCLUSION

- 4.1 One supplementary capital estimate and one virement detailed above are to be noted. These were necessary to modify the approved budget to fit circumstances that have arisen since the budget was set.
- 4.2 One request to drawdown from the Repairs and Renewals reserve is required to be approved by Members.

#### 5. IMPACT ON CORPORATE GOALS

- 5.1 The adherence to the Financial Regulations and Financial Procedures contributes towards the corporate goal of ‘Delivering good quality, cost effective and valuable services’.

#### 6. IMPLICATIONS

- (i) **Impact on Customers** – The drawdown on reserves ensures access to our facilities is available by all customers.
- (ii) **Impact on Equalities** – The drawdown on reserves ensures that the leisure facilities are useable by both able and disabled users.
- (iii) **Impact on Risk** – None identified.
- (iv) **Impact on Resources (financial)** – These are discussed above.
- (v) **Impact on Resources (human)** – None identified.
- (vi) **Impact on the Environment** – None identified.

Background Papers: None.

Enquiries to: Emma Foy, Director of Resources, (Tel: 01621 875762).

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## **REPORT of DIRECTOR OF RESOURCES**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
28 NOVEMBER 2017**

### **HALF YEARLY TREASURY MANAGEMENT UPDATE**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To report on the Council's investment activity for the first half of 2017 / 18 in accordance with the Chartered Institute of Public Finance and Accountancy Treasury Management Code (CIPFA's TM Code) and the Council's Treasury Management Policies (TMPs).

#### **2. RECOMMENDATIONS**

- (i) That Members review and comment on the Treasury Management report for compliance purposes;

To the Council:

- (ii) That the proposed amendment to the Treasury management Strategy 2017 / 18 relating to Prudential Indicators for an Operational Boundary for External debt and an Authorised limit for External debt, be approved;
- (iii) that the proposed amendments in relation to investment strategy be approved.

#### **3. SUMMARY OF KEY ISSUES**

##### **3.1 Background**

- 3.1.1 The CIPFA's TM Code requires that authorities report on the performance of the treasury management function at least twice yearly (mid-year and at year end).
- 3.1.2 The Council's Treasury Management Strategy for 2017 / 18 was presented to the Finance and Corporate Services Committee on 31 January 2017 and subsequently approved by the Council on 16 February 2017 (Minute No. 995 refers).
- 3.1.3 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. This report covers treasury activity and the associated monitoring and control of risk.

### 3.2 External Context

- 3.2.1 The Council currently engages Arlingclose to provide treasury management consultancy and advice. Attached at **APPENDIX 1** is information prepared by Arlingclose providing an overview of the external economic environment.

### 3.3 Local context

- 3.3.1 The Council is currently debt free and its capital expenditure plans do not currently imply any need to borrow over the forecast period. Investments forecast to fall as capital receipts are used to finance capital expenditure and reserves are used to finance the revenue budget.

### 3.4 Investment Activity (April 2017 – September 2017)

- 3.4.1 The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.
- 3.4.2 Over the period from April to September 2017, the level of investments held by the Council has seen an increase of £3,500,000 with a total of investments held on 30 September 2017 of £15,000,000. These are comprised of:

	<b>Balance on 01/04/2017 £000s</b>	<b>Movement £000s</b>	<b>Balance on 30/09/2017 £000s</b>
<b>Short term Investments</b>			
Fixed Deposits	2,000	2,000	4,000
Instant Access and Money Market	4,500	1,500	6,000
Certificates of Deposit	2,000	-2,000	0
<b>Long Term Investments</b>	3,000	2,000	5,000
<b>TOTAL</b>	<b>11,500</b>	<b>3,500</b>	<b>15,000</b>

- 3.4.3 Security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2017 / 18. New investments can be made with the following:

- the Debt Management Office;
- Other Local Authorities;
- AAA-rated Stable Net Asset Value Money Market Funds;
- UK Banks and Building Societies meeting the set minimum credit rating;



- Bonds issued by Multilateral Development Banks, such as the European Investment Bank.
- 3.4.4 Counterparty credit quality is assessed and monitored with reference to credit ratings. The Council's minimum long term counterparty rating is BBB+ across rating agencies Fitch, Standard and Poors (S&P) and Moody's.
- 3.5 Counterparty Update**
- 3.5.1 There were a few credit rating changes during the period. The significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities. Moody's downgraded Standard Chartered Bank's long-term rating to A1 from Aa3 on the expectation that the bank's profitability will be lower following management's efforts to de-risk their balance sheet. The agency also affirmed Royal Bank of Scotland's and NatWest's long-term ratings at Baa1, placed Lloyds Bank's A1 rating on review for upgrade, revised the outlook of Santander UK plc and Nationwide and Coventry building societies from negative to stable, but downgraded the long-term rating of Leeds BS from A2 to A3.
- 3.5.2 S&P also revised Nordea Bank's outlook to stable from negative, whilst affirming their long-term rating at AA-. The agency also upgraded the long-term rating of ING Bank from A to A+.
- 3.5.3 Ring-fencing, which requires the larger UK banks to separate their core retail banking activity from the rest of their business, is expected to be implemented within the next year. In May, following Arlingclose's advice, the Authority reduced the maximum duration of unsecured investments with Bank of Scotland, HSBC Bank and Lloyds Bank from 13 months to 6 months as, until banks' new structures are finally determined and published, the different credit risks of the 'retail' and 'investment' banks cannot be known for certain.
- 3.5.4 The new EU regulations for Money Market Funds were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility NAV (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.
- 3.6 Regulatory Update**
- 3.6.1 MiFID II: Local authorities are currently treated by regulated financial services firms as professional clients who can "opt down" to be treated as retail clients instead. But from 3rd January 2018, as a result of the second Markets in Financial Instruments Directive (MiFID II), local authorities will be treated as retail clients who can "opt up" to be professional clients, providing that they meet certain criteria. Regulated financial services firms include banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments. In order to opt up to professional, the authority must have an

investment balance of at least £10 million and the person authorised to make investment decisions on behalf of the authority must have at least one year's relevant professional experience. In addition, the firm must assess that that person has the expertise, experience and knowledge to make investment decisions and understand the risks involved.

- 3.6.2 The main additional protection for retail clients is a duty on the firm to ensure that the investment is “suitable” for the client. However, local authorities are not protected by the Financial Services Compensation Scheme nor are they eligible to complain to the Financial Ombudsman Service whether they are retail or professional clients. It is also likely that retail clients will face an increased cost and potentially restricted access to certain products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice. The Council has declined to opt down to retail client status in the past as the costs were thought to outweigh the benefits.
- 3.6.3 The Council meets the conditions to opt up to professional status and intends to do so in order to maintain their current MiFID status.

### **3.7 Performance – Budgeted Income and Outturn**

- 3.7.1 The UK Bank Rate was cut to 0.25% in August 2016. Arlingclose is, for now, maintaining its central case for it to remain at this level. Short-term money market rates have remained at relatively low levels. Debt Management Account Deposit Facility (DMADF) rates remain at 0.10% for four – six month deposits.
- 3.7.2 One new investment has been made on an unsecured basis with Lloyds Bank over the six month period at a rate of 0.31%.
- 3.7.3 A subscription of £2,000,000 has been made in the Investec Diversified Income Fund, income distribution is currently estimated at 4% per annum,
- 3.7.4 Investments in Money Market Funds have generated an average rate of 0.16%.
- 3.7.5 Investment in the Property Fund has yielded an average dividend of 3.55%.
- 3.7.6 The Authority's budgeted investment income for the year is estimated at £157,800. Projected income for the year is currently £215,900

### **3.8 Compliance with Prudential Indicators**

- 3.8.1 The Prudential Indicators for 2017 / 18, which were set on 31 January 2017 as part of the Treasury Management Strategy Statement, have been complied with to date. These are shown at **APPENDIX 2**.

### **3.9 Outlook for the remainder of 2017 / 18**

- 3.9.1 The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Both consumer and business confidence remain subdued. Household consumption growth, the driver of UK Gross Domestic Product (GDP) growth, has softened following a contraction in real wages.

Savings rates are at an all-time low and real earnings growth (i.e. after inflation) struggles in the face of higher inflation.

3.9.2 The Bank of England's Monetary Policy Committee has changed its rhetoric, implying a rise in Bank Rate in "the coming months". Arlingclose were not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted.

3.9.3 Since drafting this report, the Bank of England base rate has increased to 0.5%. Arlingclose's view is now for rates to increase to 1% by 2020.

### 3.10 Treasury Management Strategy update

3.10.1 Both the CIPFA Code and government 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 of receiving unsuitably low investment income.

3.10.2 In furtherance of these objectives, and given the increasing risk and falling returns from short-term unsecured bank investments, the Council has diversified into more secure and/or higher yielding asset classes. £2m that is available for longer-term investment was moved from bank and building society deposits into an Investec Diversified Income Account.

3.10.3 The strategy changes that are being proposed to the 2017 / 18 Treasury Management Strategy are summarised in **APPENDIX 3**.

## 4. CONCLUSION

4.1 In compliance with the requirements of the CIPFA Code of Practice this report provides Members with a summary report of the treasury management activity during the first half of 2017 / 18. As indicated in this report none of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

4.2 In light of the Council's wishes to become more commercial, the 2017 / 18 Strategy has been updated to enable its available funds to be invested to make better returns.

## 5. IMPACT ON CORPORATE GOALS

5.1 This report links to the Corporate Goal of delivering good quality, cost effective and valued services in a transparent way.

## 6. IMPLICATIONS

(i) **Impact on Customers** – None directly.

- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk** – This report is mainly about managing credit risk. A prudent approach continues to be taken in relation to investment activity with priority being given to security and liquidity over yield.
- (iv) **Impact on Resources (financial)** – Income is projected to exceed the Council's budgeted figure (£157,800) by £58,137 in 2017.
- (v) **Impact on Resources (human)** - None directly.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Ann Nagy, Senior Accountant, (Tel: 01621 875727).

External Context ( Prepared by Arlingclose)

**Economic backdrop:** Commodity prices fluctuated over the period with oil falling below \$45 a barrel before inching back up to \$58 a barrel. UK Consumer Price Inflation (CPI) index rose with the data print for August showing CPI at 2.9%, its highest since June 2013 as the fall in the value of sterling following the June 2016 referendum result continued to feed through into higher import prices. The new inflation measure CPIH, which includes owner occupiers' housing costs, was at 2.7%.

The unemployment rate fell to 4.3%, its lowest since May 1975, but the squeeze on consumers intensified as average earnings grew at 2.5%, below the rate of inflation. Economic activity expanded at a much slower pace as evidenced by Q1 and Q2 GDP growth of 0.2% and 0.3% respectively. With the dominant services sector accounting for 79% of GDP, the strength of consumer spending remains vital to growth, but with household savings falling and real wage growth negative, there are concerns that these will be a constraint on economic activity in the second half of calendar 2017.

The Bank of England made no change to monetary policy at its meetings in the first half of the financial year. The vote to keep Bank Rate at 0.25% narrowed to 5-3 in June highlighting that some MPC members were more concerned about rising inflation than the risks to growth. Although at September's meeting the Committee voted 7-2 in favour of keeping Bank Rate unchanged, the MPC changed their rhetoric, implying a rise in Bank Rate in "the coming months". The Council's treasury advisor Arlingclose is not convinced the UK's economic outlook justifies such a move at this stage, but the Bank's interpretation of the data seems to have shifted.

In contrast, near-term global growth prospects improved. The US Federal Reserve increased its target range of official interest rates in June for the second time in 2017 by 25bps (basis points) to between 1% and 1.25% and, despite US inflation hitting a soft patch with core CPI at 1.7%, a further similar increase is expected in its December 2017 meeting. The Fed also announced confirmed that it would be starting a reversal of its vast Quantitative Easing programme and reduce the \$4.2 trillion of bonds it acquired by initially cutting the amount it reinvests by \$10bn a month.

Geopolitical tensions escalated in August as the US and North Korea exchanged escalating verbal threats over reports about enhancements in North Korea's missile programme. The provocation from both sides helped wipe off nearly \$1 trillion from global equity markets but benefited safe-haven assets such as gold, the US dollar and the Japanese yen. Tensions remained high, with North Korea's threat to fire missiles towards the US naval base in Guam, its recent missile tests over Japan and a further testing of its latent nuclear capabilities.

Prime Minister Theresa May called an unscheduled General Election in June, to resolve uncertainty but the surprise result has led to a minority Conservative government in coalition with the Democratic Unionist Party. This clearly results in an enhanced level of political uncertainty. Although the potential for a so-called hard Brexit is diminished, lack of clarity over future trading partnerships, in particular future customs agreements with the rest of the EU block, is denting business sentiment and investment. The reaction from the markets on the UK election's outcome was fairly muted, business confidence now hinges on the progress (or not) on Brexit negotiations, the ultimate 'divorce bill' for the exit and whether new trade treaties and customs arrangements are successfully concluded to the UK's benefit.

In the face of a struggling economy and Brexit-related uncertainty, Arlingclose expects the Bank of England to take only a very measured approach to any monetary policy tightening, any increase

will be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.

**Financial markets:** Gilt yields displayed significant volatility over the six-month period with the appearing change in sentiment in the Bank of England's outlook for interest rates, the push-pull from expectations of tapering of Quantitative Easing (QE) in the US and Europe and from geopolitical tensions, which also had an impact. The yield on the 5-year gilts fell to 0.35% in mid-June, but then rose to 0.80% by the end of September. The 10-year gilts similarly rose from their lows of 0.93% to 1.38% at the end of the quarter, and those on 20-year gilts from 1.62% to 1.94%.

The FTSE 100 nevertheless powered away reaching a record high of 7548 in May but dropped back to 7377 at the end of September. Money markets rates have remained low: 1-month, 3-month and 12-month LIBID rates have averaged 0.25%, 0.30% and 0.65% over the period from January to 21st September.

### Compliance with Prudential Indicators

(a) **Estimates of Capital Expenditure**

The Council's planned capital expenditure and financing may be summarised as follows.

<b>Capital Expenditure and Financing</b>	<b>2016 / 17 Actual £000</b>	<b>2017 / 18 Estimate £000</b>	<b>2018 / 19 Estimate £000</b>	<b>2019 / 20 Estimate £000</b>
<b>Total Expenditure</b>	<b>1669</b>	<b>909</b>	<b>563</b>	<b>477</b>
Capital Receipts	1163	489	143	57
Government Grants	455	420	420	420
Contributions	51	0	0	0
<b>Total Financing</b>	<b>1669</b>	<b>909</b>	<b>563</b>	<b>477</b>
Supported borrowing	0	0	0	0
Unsupported borrowing	0	0	0	0
<b>Total Funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Financing and Funding</b>	<b>1669</b>	<b>909</b>	<b>563</b>	<b>477</b>

The table above shows that the capital expenditure plans of the council can be funded entirely from sources other than external borrowing.

(b) **Operational Boundary for External Debt and Authorised Limit for External Debt**

The council is currently debt free and has had no need to borrow.

(c) **Incremental Impact of Capital Investment Decisions**

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2016/17 Estimate £</b>	<b>2017/18 Estimate £</b>	<b>2018/19 Estimate £</b>
Increase in Band D Council Tax	0	0	0

The impact on Band D Council Tax highlighted above is NIL as the capital Programme is fully financed by Capital Receipts and Government Grants.

**(d) Treasury Management Indicators**

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

**Security**

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average [credit rating] or [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.

	<b>Target</b>	<b>Actual</b>
Portfolio average credit score	6.0	3.58

**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.

	<b>Target,</b>	<b>Actual</b>
Total cash available within 3 months	£3m	£8m



**Amendments to the Treasury Management Strategy**

- 1.1 The Treasury Management Strategy Statement and Annual Investments Strategy 2017/18 was presented to Council on 16 February 2017.
- 1.2 The Council are looking to become more commercial and maximise investment return where satisfactory results of due diligence are found and risk mitigated. Therefore changes are required to be made to the strategy to allow the Council to further explore alternative areas for investment.
- 1.3 The Commercial Strategy will be presented to Full Council in December and under which the Council may wish to invest in income generating projects utilising the advantageous borrowing rates provided by the Public Works Loans Board. We have therefore reviewed the Operational and Authorised Borrowing Limit Prudential Indicators.
- 1.4 Proposed changes (the numbers refer to the relevant paragraph in the approved strategy) :-

## i) INSERTED

## 4.7 Borrowing Indicators

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

4.7.2 The Authorised limit is the maximum amount of borrowing that the Authority 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.

4.7.3 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 Authority. This will always be lower than the authorised limit.

	2017/18	2018/19
Authorised Borrowing Limit	£10m	£10m
Operational Borrowing Limit	£7m	£7m

## 5.2.2

## ii) AMENDED

Table 1: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks secured	Government	Corporates	Registered Providers
None	£1m 6 months	n/a	£1m 25 years	£2m (was previously £50k for 5 years)	£1m 5 years

5.4.6 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. *(removed as part of a diversified pool in order to spread the risk widely)*

Table 3: Investment Limits

	Cash limit
Loans to unrated corporates	£2m in total <i>(was £1m)</i>
Money Market Funds	£12m in total



## **REPORT of DIRECTOR OF RESOURCES**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
28 NOVEMBER 2017**

### **BUDGETARY CONTROL (APRIL – SEPTEMBER 2017)**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To provide Members with information in relation to financial performance over the period 1 April 2017 to 30 September 2017.

#### **2. RECOMMENDATION**

- 2.1 That Members note the contents of this report.

#### **3. SUMMARY OF KEY ISSUES**

This report is for Members' information only.

##### **3.1 Revenue Budgets**

- 3.1.1 **APPENDIX 1** provides information in relation to controllable revenue budgets. This information is presented by Directorate. The appendix also provides information in relation to total expenditure and total income; this is to assist in understanding whether expenditure variances are caused by over or underspends or income is either exceeding or not meeting expectations. **APPENDIX 1A** gives the summary budget data for those budgets over £10,000 on a service line basis. **APPENDIX 1** shows the following:

- Current controllable budget – the current annual budget amount as approved by the Council on 16 February 2017; this figure will include any adjustments to budget levels such as virements movements or supplementary estimates which have been approved.
- Actuals to date – the current actual expenditure or income to 30 September 2017.
- Variance to budget – this shows the difference between the annual budget amount and the actual to date.
- Current budget utilised (%) – this shows the amount of actuals as a percentage of the current budget.

- 3.1.2 Total expenditure and income over the period 1 April 2017 to 30 September 2017 totals £4,172,818; this represents 60% of the total controllable budget of £7,005,600.

<b>Directorate</b>	<b>Current Controllable Budget</b>	<b>Profiled controllable expenditure (6 / 12ths)</b>	<b>Actual to Date</b>	<b>Variance to Profiled Budget</b>	<b>% of current Controllable Budget Utilised</b>
	<b>£</b>		<b>£</b>	<b>£</b>	
Chief Executive	1,025,700	512,850	471,659	-41,191	<b>46%</b>
Resources Directorate	2,258,000	1,129,000	1,121,190	-7,810	<b>50%</b>
Customers and Community Directorate	1,994,300	997,150	729,371	-267,779	<b>37%</b>
Planning and Regulatory Directorate	1,727,600	863,800	727,472	-136,328	<b>42%</b>
<b>TOTAL</b>	<b>7,005,600</b>	<b>3,502,800</b>	<b>3,049,692</b>	<b>453,108</b>	<b>44%</b>

3.1.3 The report provides information for the first half of the 2017 / 18 financial year; should expenditure or income be utilised or received evenly throughout the year, at this point we would expect variances to be around 50%. In the following sections further details are provided where there are considerable variances.

3.1.4 Currently most budgets are in line with expectation, and many variances relate to annual payments such as leases and grants that will not follow the profiling or demand led budgets such as maintenance. The following areas are currently demonstrating significant variances:

#### Chief Executive and Resources Directorate

- Salary vacancy underspends that will be reviewed as part of the revised budget process.

#### Customers and Community Directorate

- Salary vacancy underspends that will be reviewed as part of the revised budget process, see section 3.2.1.3.
- Grants relating to Business Rates, Housing Benefits and Council Tax that are annual payments.
- Car Park and Splash Park Income are looked at in section 3.2.3.

#### Planning and Regulatory Services Directorate

- Income is also low for Planning Development, Building Control and Land Charges Fees, these are looked at in more detail in section 3.2.3.
- Salaries are underspent due to vacancies, this is considered further in paragraph 3.2.1.2.

#### Central Funding

- As reported in the 2016 / 17 outturn, additional Business rates surplus of £240,000 was received from the collection fund due to a previous budgeting

error, this will be repaid from General Fund balances as part of the correction this year and therefore will again be reported as a budget variance.

## 3.2 Key Areas of Note

### 3.2.1 Vacancy Savings

3.2.1.1 Current salary and temporary staff expenditure for the period totals £3,457,260 against a current budgets totalling £7,532,700 (this represents 45.9%).

3.2.1.2 **APPENDIX 2** shows that there is currently a £227,590 underspend, 24% of which relates to vacant posts within the Planning and Regulatory Services Directorate. This percentage of the overall vacancy pot has decreased significantly since the last quarter, as these posts have been recruited including a 15% market supplement which is now using the accumulated vacancy savings.

3.2.1.3 Revenues and Benefits also have significant underspends which account for 34% of the overall savings, these relate to 13 vacant posts and will be used to finance an internal restructure without need for redundancy.

### 3.2.2 Agency Expenditure

3.2.2.1 Over the period to 30 September 2017, the total costs of Agency staff that have been included within the salary variances above are as follows:-

Service	Expenditure to 30 September 2017 (£)
Corporate Core	25,200
Committee Services*	65,832
Revenues and Benefits	7,604
Housing	14,175
Planning Policy	26,112
Development Control	2,580
Building Control	9,178
<b>TOTAL</b>	<b>150,680</b>

\* This service includes legal services. The figure was subject to a supplementary estimate and subsequent budget have been set separately in agency costs.

3.2.2.2 As previously agreed with members, more detail on agency expenditure has been provided within the Q2 personnel statistics report that is also on this meetings agenda.

### 3.2.3 Major Sources of Income

3.2.3.1 The Council is dependent on several large income sources in order to balance the budget. The table below details the main income budgets and income received for the period to 30 September 2017. It also provides information in relation to income levels for the same point in 2017 / 18 for comparison:

Area of Income	Current Budget £	2017/18 Income to 30 Sept £	% of Current Budget	Projected Outturn	2016/17 Income to 30 Sept £
Land Charges	154,500	62,643	40.54	119,400	67,727
Planning Development Fees	863,000	325,187	37.68	586,200	189,105
Pre Application Advice	27,800	22,099	79.49	44,200	16,042
Building Control	182,000	70,231	38.59	135,400	96,914
Investment Income	157,800	101,178	64.11	215,900	107,972
Town Centre Car Parks	687,500	277,330	40.33	702,200	328,721
Prom Car Parks	323,000	313,905	97.18	372,000	302,640
Splash Park	110,000	94,231	85.66	94,231	126,593
<b>TOTAL</b>	<b>2,505,600</b>	<b>1,266,804</b>	<b>50.56</b>	<b>2,446,531</b>	<b>1,235,714</b>

### 3.2.3.2 Key headlines are:-

- Planning Development Fees have been reviewed and the profiling of Major Planning Fees has been adjusted in the Medium Term Financial Strategy (MTFS) and revised 2017 / 18 budgets accordingly to reflect anticipated outturn. There has been a significant delay on two major planning applications in the District. This will affect the anticipated planning income from planning fees and Planning Performance Agreement income, currently predicted to be almost £280,000 below the original budget. Therefore there will be an outturn deficit position on that budgeted.
- Investment income has increased on budget due to the investment £2,000,000 in a diversified income investment with 4% return.
- Car Park income is exceeding expectation due to the first full year of impact for the introduction of evening and weekend parking charges.
- Splash Park income is now at its final position as the splash park has closed for the year. Due to unfavourable weather conditions and closures for maintenance, the income has been less than anticipated.
- Pre Application Advice is demand led, the revised budget will be amended in light of the current performance against budget.

### 3.2.3.3 Future Budget Headlines

- Due to vacancies in planning services, a number of key posts were recruited to, offering a 15% market supplement. Originally this was intended to be met from the agreed 20% increase in planning fees, however at the time of writing this report, the legislation allowing us to do this had not been approved and therefore this is an additional pressure on the budget. The planning directorate vacancy savings will address this shortfall in 2017 / 18.
- All budgets, including the variances in 3.2.3.2, are being reviewed and a fuller position of the expected outturn will be reported in January 2018 when the revised budget is brought to members for approval.

### **3.3 Capital Projects**

- 3.3.1 **APPENDIX 3** provides details of the capital projects due to be undertaken during the 2017 / 18 financial year.
- 3.3.2 As part of the 2017 / 18 budget process, the capital programme for 2017 / 18 was reviewed and approved and balances for certain capital projects from 2016 / 17 rolled forward. The total programme to be carried out in 2017 / 18 totalled £1,754,000. Additionally, there was a Capital item of £45,000 approved on 16 April 2016 for 2016-19 for a contribution to Essex County Council for Broadband infrastructure over a three year period, this has been added into the monitoring spreadsheet.
- 3.3.3 There has been notable movement in capital programme items since the quarter end, therefore these figures are being reported as expenditure until 31 October. Total expenditure for the period to 31 October 2017 stands at £356,000 this reflects 25.95% of the overall 2017 / 18 budget.
- 3.3.4 Of the original budget approved, £413,000 relates to projects that are now not going ahead and will be returned to funds.
- 3.3.5 The Tip Road project was brought forward from 2016 / 17, and there continues to be uncertainty around when we will receive the funding from Essex County Council. The project will be required but it is unclear when, therefore it will be removed from the programme until there is certainty over its delivery, and at that point it will be brought back to members as a supplementary estimate to request the funds to move it forward.
- 3.3.6 The Heybridge Cemetery Roof is being reviewed as it is a concern that the cost will outweigh any benefit. A report will be presented to the Community Services Committee in January once the bat survey is completed to look at the way forward.
- 3.3.7 There is a proposed project for a play site, however the viability of this is now been reviewed due to the proposed location. The project is also subject to Section 106 monies that are yet to be received, therefore this project may not go ahead in 2017 / 18.

## **4. CONCLUSION**

- 4.1 Current financial performance to budget is at risk due to significant reductions in planning income.
- 4.2 Capital projects are progressing, with further projects to start within the Council's parks and open spaces over the later period of the financial year. There are some pressures on items in the programme that will be reviewed as the year progresses and the programme updated accordingly.

## 5. IMPACT ON CORPORATE GOALS

- 5.1 This report links to the corporate goal of ‘delivering good quality, cost effective and valued services’.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk** – There are no corporate risk issues associated with this report.
- (iv) **Impact on Resources (financial)** – Variances from the budget will impact upon the level of balances and/or capital reserves available in the future.
- (v) **Impact on Resources (human)** – None
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Carrie Cox, Finance Manager, (Tel: 01621 875799).



## Budget Control Summary 2017/18 (April - September)

<b>Grand Total</b>	Current Controllable Budget	Actual to Date	Variance to Current Controllable Budget	% of current Controllable Budget Utilised
Total Expenditure	29,538,000	13,433,701 -	16,104,299	45%
Total Income	- 22,532,400 -	10,384,010	12,148,390	46%
<b>TOTAL</b>	<b>7,005,600</b>	<b>3,049,691 -</b>	<b>3,955,909</b>	<b>44%</b>

<b>Chief Executive</b>	Current Controllable Budget	Actual to Date	Variance to Current Controllable Budget	% of current Controllable Budget Utilised
Total Expenditure	1,029,700	474,571 -	555,129	46%
Total Income	- 4,000 -	2,912	1,088	73%
<b>TOTAL for Chief Executive</b>	<b>1,025,700</b>	<b>471,659 -</b>	<b>554,041</b>	<b>46%</b>

<b>Resources Directorate</b>	Current Controllable Budget	Actual to Date	Variance to Current Controllable Budget	% of current Controllable Budget Utilised
Total Expenditure	2,620,100	1,327,134 -	1,292,966	51%
Total Income	- 362,100 -	205,944	156,156	57%
<b>TOTAL for Resources Directorate</b>	<b>2,258,000</b>	<b>1,121,190 -</b>	<b>1,136,810</b>	<b>50%</b>

<b>Customers and Community Directorate</b>	Current Controllable Budget	Actual to Date	Variance to Current Controllable Budget	% of current Controllable Budget Utilised
Total Expenditure	22,748,800	10,239,131 -	12,509,669	45%
Total Income	- 20,754,500 -	9,509,761	11,244,739	46%
<b>TOTAL for Customers &amp; Community Directorate</b>	<b>1,994,300</b>	<b>729,370 -</b>	<b>1,264,930</b>	<b>37%</b>

<b>Planning and Regulatory Directorate</b>	Current Controllable Budget	Actual to Date	Variance to Current Controllable Budget	% of current Controllable Budget Utilised
Total Expenditure	3,139,400	1,392,865 -	1,746,535	44%
Total Income	- 1,411,800 -	665,393	746,407	47%
<b>TOTAL for Planning &amp; Regulatory Directorate</b>	<b>1,727,600</b>	<b>727,472 -</b>	<b>1,000,128</b>	<b>42%</b>

Quarter 2, therefore expect 50% of budgets to be spent

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**Budgets over £10,000**

	<u>Budget Value</u>	<u>Profiled budget (6/12ths)</u>	<u>Actual Spent Year to Date</u>	<u>Variance to profiled budget</u>	<u>Actual spend as % of full Budget.</u>	
<b>CHIEF EXECUTIVE</b>						
Corporate Core	614,500	307,250	262,356	44,894	43%	£48,000 in vacancy savings
Corporate Management	160,100	80,050	80,050	0	50%	In line with expectation
Democratic Representation & Mgt	251,100	125,550	129,253	-3,703	51%	In line with expectation
<b>RESOURCES DIRECTORATE</b>						
Elections	90,000	45,000	26,727	18,273	30%	£18,000 in vacancy savings
Policy & Comms	212,800	106,400	106,622	-222	50%	In line with expectation
Training	78,500	39,250	13,067	26,183	17%	No training spend in Corporate training budget to date. Budgets are demand led based on timings of required courses.
Human Resources	187,300	93,650	96,003	-2,353	51%	In line with expectation
Apprentices ( 2017/18)	46,900	23,450	13,478	9,972	29%	£8,000 salary vacancies due to vacancies. Officers are looking at how apprentices can be best used in the organisation.
Committee Services	302,500	151,250	171,936	-20,686	57%	Overspend relating to agency staff recruited for maternity cover. Virement has been requested to cover the salary.
General Office Support	65,600	32,800	26,711	6,089	41%	£3,600 vacancy savings. £1,500 variance on stationary and equipment that cannot be evenly profiled.
Internal Audit & Perf Review	74,800	37,400	38,735	-1,335	52%	In line with expectation
Finance	407,800	203,900	185,719	18,181	46%	£18,000 Vacancy savings
IT Services	646,400	323,200	349,982	-26,782	54%	£6,000 Vacancy Savings. £10,000 underspend relating to an invoice that has not yet been received but services provided. £10,000 additional costs relating to IT Manager recruitment. £20,000 relating to annual one off subscription. Various other variances relating to annual payments that are not in line with profiling.
Council Offices	337,300	168,650	224,139	-55,489	66%	Budgets mainly relate to contracts and repairs work that are spent as required through the year and rates that are payable one off at the start of the year.
Reprographics Unit	27,000	13,500	13,994	-494	52%	In line with expectation
Telephones & Reception	34,300	17,150	16,804	346	49%	In line with expectation
Electoral Registration	27,400	13,700	-11,384	25,084	-42%	£10,000 underspend on Canvas that will happen in Quarter 3. £13,000 unexpected grant received that will be used to fund election canvassing.
Misc. Land & Property	-20,500	-10,250	-7,225	-3,025	35%	£4,000 rates for 99 Wood Road as the empty rate relief has ended.

Springfield Industrial Estate	-115,000	-57,500	-67,932	10,432	59%	Contains annual leases and rents that will not meet the profile.
Investment Interest	-157,800	-78,900	-87,094	8,194	55%	Investments have been made in higher yielding investments giving a greater than expected return.
Election Management	12,700	6,350	10,909	-4,559	86%	£4,500 software maintenance is an annual payment therefore not in line with profile.
<b>CUSTOMER &amp; COMMUNITIES DIRECTORATE</b>						
Customer Services	462,400	231,200	193,184	38,016	42%	£18,000 Vacancy savings and £23,000 relating to new funding for a public health post. Scheme was approved after budgets were set, there will be a new post to offset this income.
Revenues and Benefits	577,100	288,550	208,596	79,954	36%	£78,000 Vacancy Savings
Leisure & Community	291,500	145,750	160,703	-14,953	55%	£5,000 salary overspend, virements and adjustments to salary to be looked at in revised budget. £12,500 budget that can't be profiled.
Environmental Waste	167,700	83,850	87,483	-3,633	52%	Funded from reserve
Parks Operational Services	667,000	333,500	316,091	17,409	47%	Budgets cannot be profiled as demand led
Parks Rangers	288,000	144,000	153,681	-9,681	53%	Parking partnership income not yet received. Service to request invoice.
N.N.D.R. Collection	-94,600	-47,300	-1,704	-45,596	2%	£92,000 grant is received in full at year end, not profiled.
Housing Benefits Admin	-144,100	-72,050	-10,583	-61,467	7%	£144,000 grant received in full at year end therefore not profiled. £4k additional fraud grant received to that expected.
Rent Allowances	-118,800	-59,400	-35,901	-23,499	30%	Relates to benefits therefore expenditure is demand led, and income relates to a set point in time.
Council Tax Benefit Admin	-58,300	-29,150	-58,308	29,158	100%	£58,000 grant received in full in April
Council Tax Collection	-95,300	-47,650	-55,302	7,652	58%	£5,000 of variance relates to Court Costs that are demand led.
Civil Emergencies	33,200	16,600	25,185	-8,585	76%	This is a one off annual payment that is out of line with the profiles
Rivers	-115,700	-57,850	-80,327	22,477	69%	£7,000 relates to annual fee, therefore not in line with profile. £7,000 relates to income that is unlikely to be received.
Street Naming	11,400	5,700	685	5,015	6%	Budgets are demand led so not in line with profile
Tourism	14,300	7,150	2,896	4,254	20%	£3,000 of demand led budgets
Tourist Information Centre	147,000	73,500	78,692	-5,192	54%	Rates are payable annually in advance, therefore not profiled. £5,000 relates to expected income from trading account that is transferred at year end.
Burnham TIC	14,300	7,150	9,089	-1,939	64%	No issues, budgets do not follow profile
Blackwater Leisure Centre	-567,300	-283,650	-294,489	10,839	52%	In line with expectation

Dengie Hundred Sports Centre	126,900	63,450	67,461	-4,011	53%	£2,000 income relating to profit share to be invoiced.
Riverside Park	-19,800	-9,900	-8,986	-914	45%	Various income streams that do not follow the 1/12ths profiling
Brickhouse Farm	23,900	11,950	10,743	1,207	45%	Demand led utilities and repairs budgets.
Maldon Promenade	-386,400	-193,200	-390,272	197,072	101%	Splash Park Income is seasonal, therefore all expected income has now been received and is lower than anticipated. Car Park Income is £147,000 higher than anticipated. Beach Hut income higher than budget for full year. Will be revised as part of revised budget.
Verges	-14,500	-7,250	17,747	-24,997	-122%	£20,000 underperformance on verge income. Service to request invoices.
Play Provision	38,800	19,400	37,358	-17,958	96%	Maintenance is demand led therefore does not follow the profiled expectation
Highway Rangers - ECC	-21,000	-10,500	11,505	-22,005	-55%	£17,000 underspent as Invoices are due to be sent to ECC.
Maldon Town Centre Car Parks	-632,100	-316,050	-276,344	-39,706	44%	Rates are payable annually in advance, therefore not profiled.
Public Conveniences	102,500	51,250	40,831	10,419	40%	£4,000 underspend on maintenance which is demand led. Invoices received in arrears therefore actual isn't in line with profile.
Cemeteries	-72,000	-36,000	-48,507	12,507	67%	Demand led budget
Community Safety	33,600	16,800	16,608	192	49%	In line with expectation
Community Safety LAA	57,400	28,700	34,321	-5,621	60%	Annual invoice, therefore won't be in line with profile.
Community Grants	73,500	36,750	40,650	-3,900	55%	Grants are paid in 2 installments
Street Cleansing	436,100	218,050	227,766	-9,716	52%	In line with expectation
Waste Services	767,600	383,800	248,819	134,981	32%	Invoices are received in arrears, and income is dependent on the prior months performance, so will vary to profile.
<b>PLANNING AND REGULATORY DIRECTORATE</b>						
Environmental Health	469,300	234,650	216,845	17,805	46%	£18,000 Vacancy Underspends
Housing	511,200	255,600	252,396	3,204	49%	In line with expectation
Corporate Fraud and Enforcement	181,000	90,500	101,171	-10,671	56%	Salary overspent, will be covered by savings, resulting from late implementation of 20% fee increase.
Economic Development, Partnerships & Proj	119,600	59,800	54,484	5,316	46%	£5,500 Vacancy Savings
Planning Policy Services	402,400	201,200	191,342	9,858	48%	£30,000 overspend on agency and recruitment costs but £40,000 Vacancy Savings that cover this.
Planning Admin Services	269,700	134,850	133,850	1,000	50%	In line with expectation
Development Control Services	647,200	323,600	245,972	77,628	38%	£78,000 Vacancy Savings
Building Control Services	219,000	109,500	88,781	20,719	41%	£26,000 Vacancy Savings. £9,000 overspend in Agency costs due to vacancies.
Land Charges	-139,700	-69,850	-57,110	-12,740	41%	£15,000 loss in income

Planning Policy	36,800	18,400	7,136	11,264	19%	Expenditure on LDP and CIL funded from reserve, Neighbourhood watch £20,000 funding received, against £7,000 expenditure, will be put into reserve.
Development Control	-776,700	-388,350	-323,387	-64,963	42%	£112,000 lower fees than budgeted for. £30,000 underspend on legal fees that are demand led.
Building Control (Fee Related)	-176,800	-88,400	-68,217	-20,183	39%	£20,000 lower fees than budgeted for
Economic Development	13,300	6,650	5,799	851	44%	Not material variance
Temp Events and Personal Licences	-27,700	-13,850	-37,639	23,789	136%	Income is not based on 1/12ths profiling and some is seasonal, therefore variations are expected through the year.
Taxis and Private Hire Licences	-16,000	-8,000	-11,071	3,071	69%	Delay in partner invoicing
Pest Control	-35,300	-17,650	-25,163	7,513	71%	Pest Control Fees are demand led, budget is anticipated to underperform overall therefore will be reviewed for revised budget.
Food Safety/Commercial Disease	22,600	11,300	4,993	6,307	22%	Invoices expected in, no issues.
Environmental Protection	13,900	6,950	-2,379	9,329	-17%	£7,000 underspend due to contaminated land project not going ahead.
Homeless & Housing Advice	21,000	10,500	-46,502	57,002	-221%	£46,000 homelessness grant received to be spent on temporary accomodation provision
Private Sector Renewal	-27,200	-13,600	-3,828	-9,772	14%	Agent Fees income not yet claimed.
<b>TOTAL</b>	<b>7,005,600</b>	<b>3,502,800</b>	<b>3,049,691</b>	<b>453,109</b>	<b>44%</b>	

Cost Centre	Budget 2017/2018	Virements	Profile 30-Sep	Actual 2017/2018	(Saving) / Overspend
<b>Chief Executive</b>					
101 Corporate Core	556,300	(29,100)	249,050	242,110	(6,940)
<b>Service Area Total</b>	<b>556,300</b>		<b>249,050</b>	<b>242,110</b>	<b>(6,940)</b>
<b>Resources Directorate</b>					
102 Election Management	90,000	(16,500)	28,500	26,905	(1,595)
103 Policy & Comms	194,200	4,700	101,800	98,845	(2,955)
105 Human Resources	168,500	(4,700)	79,550	82,055	2,505
106 Apprentices	28,900		14,450	6,199	(8,251)
108 Committee Services	237,200	(15,400)	103,200	104,584	1,384
109 General Office Support	50,300	(2,000)	23,150	20,456	(2,694)
113 Finance	352,700	(19,700)	156,650	148,762	(7,888)
119 ICT Services	381,700		190,850	184,420	(6,430)
121 Council Offices	179,400		89,700	88,089	(1,611)
<b>Service Area Total</b>	<b>1,682,900</b>		<b>787,850</b>	<b>760,315</b>	<b>(27,535)</b>
<b>Customer &amp; Communities Directorate</b>					
110 Customer Contact Centre	449,200		224,600	206,175	(18,425)
114 Revenues & Benefits	764,200		382,100	304,461	(77,639)
118 Leisure and Countryside Management	273,200		136,600	141,517	4,917
133 Environmental Waste	162,800	2,700	84,100	86,945	2,845
141 Parks Operational	518,800		259,400	260,699	1,299
153 Community Rangers	321,400		160,700	159,176	(1,524)
325 Maldon TIC	116,600		58,300	54,883	(3,417)
330 Burnham TIC	11,900		5,950	5,395	(555)
523 Highway Rangers	48,900		24,450	25,777	1,327
563 Community Safety	68,500		34,250	34,243	(7)
<b>Service Area Total</b>	<b>2,735,500</b>		<b>1,370,450</b>	<b>1,279,271</b>	<b>(91,179)</b>
<b>Planning Services Directorate</b>					
132 Environmental Health	458,200		224,100	211,027	(13,073)
134 Housing	502,000		251,000	235,967	(15,033)
163 Enforcement	180,100	11,200	101,250	100,277	(973)
164 Economic Development	99,700		44,850	44,345	(505)
165 Planning Policy Services	372,800	(26,100)	160,300	145,623	(14,677)
166 Planning Admin Services	263,900		131,950	130,378	(1,572)
167 Development Control	621,400	(23,100)	287,600	232,326	(55,274)
168 Building Control	202,900	(25,000)	76,450	75,620	(830)
<b>Service Area Total</b>	<b>2,701,000</b>		<b>1,277,500</b>	<b>1,175,563</b>	<b>(101,937)</b>
<b>TOTAL</b>	<b>7,675,700</b>		<b>3,684,850</b>	<b>3,457,260</b>	<b>(227,590)</b> 45%

Salaries include estimation of agency staff where necessary.  
Agency costs detail are reported separately.

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Capital Programme 2017/18	2016/17 (£000)	2017/18 (£000)	Total Budget (£000)	Expenditure to (£000)	Project Status	Due start date	Due completion date		Responsible Officer - Job Title	Likely to be Spent in 2017/18?
				01/11/2017				Comments		
<b>Vehicle &amp; Plant Replacement</b>								<b>Narrative - July Update</b>		
Parks Vehicle - Rolling replacement programme	20	22	42	0	Not started	Dec-17	Feb-18	Planned for Jan / Feb delivery 2018. <b>Managers note</b> - vehicles and equipment are purchased in Q4 as this is the quiet period for the team and allows for replacement of equipment at the end of the seasons use. Vehicles identified and orders will be placed as soon as formal quotations have been received. It is anticipated that order for 1 vehicle will be placed in November and the other in December.	Countryside and Coast Manager	Yes
Maintenance Team Vehicle	0	30	30	34	Completed	May-17	Oct-17	Additional cost funded from sale of old vehicle	Maintenance Officer	Yes
<b>Information &amp; Communication Technology</b>										
PC and Printer Replacement Programme	0	35	35	10	In progress	Apr-17	Mar-18	Replacements are underway.	Director of Resources	Yes
Telephony Review/Upgrade	5	0	5	0	In progress	Apr-17	Mar-18	Options currently being researched. Will be committed in 17/18	IT Manager	Yes
County Broadband contribution	15	15	30	0	Delayed	-	-	This relates to a £45,000 contribution to Essex County Council to help improve the Broadband performance in the area. The money was agreed to paid over a 3 year period (final payment in 2018/19), however there has been no request from County for the contribution.	Chief Executive	At Risk
E-Mail replacement - Upgrade of Exchange and Enterprise Vault	0	60	60	0	Not started	Jun-17	2018/19	IT have had a new IT manager appointed who will be starting full time in November. Work has commenced on this project and the money will be fully committed by March 2018, however there is possibility the works will not be completed until 2018/19.	Director of Resources	No
<b>Maldon Promenade</b>										
Prom Park Road Repairs	0	55	55	0	In progress	Sep-17	Mar-18	These three projects have been linked to be tendered as one project, but may be delivered in separate stages. Specifications and contract documents are now complete and due to be advertised on Contract Finder by mid November. Contracts have been specified to be completed by the end of the financial year and should be complete within 4 weeks of starting subject to weather.	Maintenance Officer	Yes
Prom Park Road Repairs - rolled forward	50	0	50	0	In progress	Sep-17	Mar-18		Maintenance Officer	Yes
Burnham Cemetery Roadway	57	0	57	0	In progress	Sep-17	Mar-18		Maintenance Officer	Yes
All Weather Car Parking improvements	0	60	60	0	Not started	Sep-17	Mar-18	This projects have been linked for tender for better value for money. As with the road way repairs Specifications and contract documents are now complete and due to be advertised on Contract Finder by mid November. Contracts have been specified to be completed by the end of the financial year and should be complete within 4 weeks	Maintenance Officer	Yes
Winter Car Parking Prom Park	10	0	10	0	Not started	Aug-17	Mar-18		Maintenance Officer	Yes
New accessible play site	0	48	48	0	Not started	Mar-18	Summer 18	Awaiting S106 agreement funding which should be available in January (the total cost of the project is £100k). Scoping meeting will be held on site W/C 6 November to establish potential barriers to completing the project. There are a number of issues to overcome if the project is to be delivered in the older part of the park in order to satisfy conservation (historic setting) concerns.	Leisure, Countryside and Tourism Manager	No
Entrance Refurbishments	10	0	10	0	In progress	Apr-17	Dec-17	New signage is on order and will be installed as part of the overall Dengie Gateway Project alongside the 'hub' facilities elsewhere in the District	Leisure, Countryside and Tourism Manager	Yes
CCTV Upgrade Prom	9	0	9	0	In progress	Jun-17	Mar-18	This project was originally intended to be completed in 2016/17. However during the research and scoping of the works it became apparent technology has advanced to a point where a like for like replacement is not appropriate. A review has been undertaken by the Community Safety Partnership Manager and Essex Police to ensure the proposed upgrades are effective and reduce revenue costs wherever possible through the use of wireless technology (replacing broadband connections) it is felt the works can be completed during this financial year. Procurement to be combined with Prom Park CCTV. Decision made to procure system with Chelmsford City Council	Senior Park Ranger	Yes
Tip Road	80	0	80	0	Not started	Not confirmed	Not confirmed	The timing of this work is dependant upon ECC who are required to fund this work on a 50/50 basis. The total project cost is £160k. There is uncertainty when ECC will make the funding available and this funding could be held and called down when agreement is finally reached. This project is dependent on match funding from Essex County Council who are required to contribute to the upkeep of the road. At the current time there is a risk that this project may not be delivered during this financial year.	Maintenance Officer	At Risk
Promenade Park Electric Gates	15	0	15	13	Completed	Jul-17	Dec-17		Maintenance Officer	Yes
<b>Leisure &amp; Sports Centres</b>										
New Leisure Centre Contract	117	0	117	117	Completed	Apr-17	Jul-17	Refurbishment programme completed. Final Account has been received and has been presented to the Community Services Committee. Combined Heating and Power unit has been installed.	Leisure and Coast Team Leader	Yes

Capital Programme 2017/18	2016/17 (£000)	2017/18 (£000)	Total Budget (£000)	Expenditure to (£000)	Project Status	Due start date	Due completion date		Responsible Officer - Job Title	Likely to be Spent in 2017/18?
				01/11/2017				Comments		
Planned Maintenance Programme	31	0	31	0	In progress	Apr-17	Nov-17	Main electrical panel is fit for purpose. PfP have confirmed that the works are not required until a few years' time and could be built into a new leisure contract. A condition survey will be completed to give a true estimate of the lifespan of the control panels. Officers have not yet been able to assess the likely cost of the condition survey but remain confident that the capital budget for this project will not ultimately be required.	Leisure and Coast Team Leader	Yes
<b>Parks &amp; Open Spaces</b>										
Mobile Welfare facility trailer		15	15	0	Not started	Sep-17	Oct-17	Quotations have been sought and an order should be placed by the end of November.	Countryside and Coast Manager	Yes
Riverside Park Sea Wall Resurfacing	11	0	11	6	Completed	Apr-17	Jul-17	Planned works completed 20th September.	Maintenance Officer	Yes
Riverside Park Footpaths	9	0	9	7	Completed	Apr-17	Jul-17	Planned works completed 8th September.	Maintenance Officer	Yes
Riverside Park information boards and signage	20	0	20	0	In progress	Apr-17	Dec-17	New signage is on order and will be installed as part of the overall Dengie Gateway Project alongside the 'hub' facilities elsewhere in Burnham on Crouch.	Leisure, Countryside and Tourism Manager	Yes
<b>Rivers</b>										
Coastal & communities Match funding	18	0	18	0	In progress	Apr-17	Mar-18	This funding will be drawn down as works near completion, it is anticipated that all funding will have been spent by the end of March 2018	Leisure Countryside and Tourism Manager	Yes
<b>Elections</b>										
Replacement of Polling booths	0	25	25	0	Not started	Oct-17	Mar-18	Replacement requirement will be reviewed and any orders raised Winter 17/ Spring 18	Elections Manager	Yes
<b>Facilities and Asset Management</b>										
99 Wood Road Refurbishment	0	40	40	1	In progress	Jun-17	Dec-17	Marketing of retail unit commencing 6 November 2017. Contractor started on site 23 October. Contracted completion date 15 December. Progressing on site in line with programme.	Facilities and Asset Manager	Yes
<b>Car Parks</b>										
New Car Park signage (Town & Prom)	0	14	14	0	In progress	Jul-17	Nov-17	Orders have been placed and installation is underway	Community Protection Team Leader	Yes
CCTV High Street & Car Park System Upgrade	30	0	30	0	In progress	Jun-17	Mar-18	Works are being procured jointly with the Promenade Park CCTV project and with Chelmsford City Council.	Senior Park Ranger	Yes
<b>Cemeteries</b>										
Heybridge Cemetery Chapel Roof	0	25	25	0	Procurement process	Aug-17	Mar-18	There has been difficulty procuring a bat survey for the premises, it is thought that bats are present in the current roof which will need to be taken into account when repairs take place. Members of the Community Services Committee will be requested to consider whether this project should be taken forward in January.	Leisure and Coast Team Leader	At Risk
<b>Housing</b>										
Disabled Facility Grants	0	420	420	167	In progress	Apr-17	Mar-18	Approvals for DFG's in the 17/18 financial year currently at £168k. Actual spend on grant work covers grants approved in 16/17 and 17/18. Approvals for DFG Grants are demand led.	Senior Housing Officer	Yes
	507	864	1,371	356						
					25.95%					
				PROJECTS NO LONGER REQUIRED						
Capital Programme 2017/18	2016/17 (£000)	2017/18 (£000)	Total Budget (£000)	Expenditure to (£000)	Project Status	Due start date	Due completion date			
				01/11/2017				Comments		
IT project officer - One Fixed term post to assist with the rollout of a number of key IT capital projects such as Share point, CRM)	50	50	100	0	Not started	n/a	n/a	Project not going ahead		
Amphitheatre Fencing	0	10	10	0	Not started	n/a	n/a	Project will not go ahead following on site assessment and concerns that fencing will subside on steep embankment.		
New Service and Splash Park Kiosk	160	0	160	0	In progress	n/a	n/a	The central Area Masterplan and Waterfront Study suggests a central hub project rather than a stand alone kiosk so this budget is no longer required and a new bid will be made when the detail becomes available on the hub proposal.		
Riverside Park depot screening		0	0	0	Not started	Oct-17	Dec-17	<b>Managers note</b> - withdraw project to avoid conflict with proposed new caravan site. Look for relocation options. New bid in 18/19		
Transformation Programme	143	0	143	0	Not started	n/a	n/a	Options presented to CLT. Will form part of transformation programme.		
	353	60	413	0						



## **REPORT of DIRECTOR OF RESOURCES**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
28 NOVEMBER 2017**

### **2018 / 19 BUDGET PROPOSALS**

#### **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to consider the proposals for revenue growth, fees and charges policy, Capital projects and use of the repairs and renewals reserve that have been put forward by Officers, prior to the approval of the 2018 / 19 budget and updated medium term financial strategy in January 2018.
- 1.2 For all areas, the Customer & Communities, and Planning & Regulatory Services proposals have been reported to their relevant Committees prior to being reported here. Should any updates be required to the appendices following these Committees, these will be advised to Members at the meeting.

#### **2. RECOMMENDATIONS**

- (i) that comments are invited on the revenue growth items **APPENDIX A** and Members identify which items should be included for consideration in the 2018 / 19 budget;
- (ii) that the updated fees and charges policy areas outlined in **APPENDIX B** for 2018 / 19 be adopted.
- (iii) that the Repairs and renewals projects set out in **APPENDIX D** are considered and Members agree which items should be funded from the Repairs and Renewals reserve.

##### To the Council:

- (iv) that the Capital project bids set out in **APPENDIX C** to this report are considered and Members identify which items should be included for consideration in the 2018 / 19 capital programme.

#### **3. SUMMARY OF KEY ISSUES**

- 3.1 For 2018 / 19, the Council is building a zero based budget. This starts with a base of zero, expenditure must then be justified to be built into budget. Service Managers were asked to ensure that budgets are only built for existing service provision and any growth bids should only be put forward if essential.

### **3.2 Medium Term Financial Strategy (MTFS)**

3.2.1 The MTFS is being reviewed for the 2018 / 19 year, prior to budget approval. This will be taken to the January / February Committee cycle for the Finance and Corporate Services Committee and Full Council.

3.2.2 Sections 3.2.3 onwards below details the changes in the MTFS from that previously reported, and the areas that are still to be confirmed. It is currently anticipated that 2018 / 19 will be a balanced budget. Members are considering policy in relation to Council Tax and New Homes Bonus. Budget Seminars are being held in November 2017 for Members.

#### **3.2.3 Collection Fund**

3.2.3.1 The Collection Fund is an account that is administered by the Authority for recording receipts from Council tax and business rates and payments to the General Fund and other public authorities including Central Government.

3.2.3.2 At the end of 2017 / 18, it is forecast that the contribution from Business Rates will be positive, and therefore there is additional income that can be built into the MTFS for this. Work is currently underway to clarify the estimated position to be built into the budget.

3.2.3.3 The figures that are built into the MTFS for Business Rates for 2018 / 19 are determined by the Authorities National Non Domestic Rates (NNDR) 1 return. This is submitted in January, and the template is not normally released until December. Estimations are currently included in the MTFS; however these figures are subject to change.

#### **3.2.4 Investment Income**

3.2.4.1 In October 2017, the bank base rate increased by 0.25% to 0.50%. The Authority's Investment Portfolio is becoming increasingly diversified, and includes investments that are not directly linked to interest rates. Due to the newer investment types, it is currently estimated that an additional £70,000 can be built into the 2018 / 19 budget.

#### **3.2.5 Income**

3.2.5.1 A major source of income for the Authority is planning income. There are a number of strategic sites in the District and the income from these is highly dependent on the timing of the projects. Since the last update, two sites have been delayed and therefore the MTFS has had to be revisited to re-profile the income. The total figure is still anticipated to be received over the long term; however there has been a 12 – 18 month delay in the receipt of this income.

#### **3.2.6 Pension**

3.2.6.1 At the Council meeting on 16 February 2017, Members approved an advanced payment of pension deficit. This was paid in April 2017. In 2020 / 21, Members can consider making a similar payment to reduce the deficit.

### 3.3 Revenue Budget Growth

- 3.3.1 Budget growth proposals are set out in **APPENDIX A** for consideration, and agreement on which items will be moved forward for inclusion in the budget process.
- 3.3.2 There is an item in **APPENDIX A** relating to the upgrade of software for the car park machines to enable them to continue taking card payments. There is also a capital bid requesting funds to replace the car parking machines all together, this is requested to improve reliability of the machines and also to enable additional forms of payments such as contactless. If the capital bid is approved, then this revenue bid will not be required.
- 3.3.3 There is a planning growth bid in relation to the Homelessness Reduction Act that will be coming into force as from April 2018. There are two main aspects to enable the implementation of the act; the growth bid is for the new IT system requirement, however there is also a staffing need. A new burdens grant of £60,000 is being received over three years which will cover this fixed term post for two years. The full impact of the Homelessness Reduction Act is not yet known, and there could be an increase on the demand for bed and breakfast and other types of temporary accommodation, however the budget has been prepared with a conservative view and will be reviewed mid-way through the year and Officers will come back to Members if necessary.

### 3.4 Other Matters

- 3.4.1 Groups or areas within the District are entitled to create their own Neighbourhood Plan detailing their aspirations for their local area, but must tie into our Local Development Plan. It is unknown which areas may wish to make a designation, or how complex a designation may be, and therefore this hasn't been included as a growth bid. A reserve is available that has been created from previous unused Neighbourhood Grant funding, but should additional funds be required, then this will be dealt with by way of a supplementary estimate.

### 3.5 Fees and Charges

- 3.5.1 Fees and charges set by the Council are one area where the Council may have the ability to generate increased resources, however each area is subject to different constraints. In looking at these policies, the following factors need to be considered:
- Corporate and service objectives / priorities;
  - Seeking to make services self-financing, where there is scope to do so;
  - The level of charges levied by commercial competitors and other local authorities;
  - The introduction of new charges, where appropriate;
  - Whether concessionary charges for specific users of the service would apply.
- 3.5.2 **APPENDIX B** shows the fees and charges policy for the adoption of this Committee with detail where a policy is proposed to be amended.

### 3.6 Capital

3.6.1 The 2018 / 19 project bids set out in **APPENDIX C** have been categorised by Officers into three main groups:

- Essential (E): Failure to carry out the project is likely to have health and safety implications and/or will have fundamental impact on service provision
- Service failure (SF): Relating to an operational asset that requires capital funding to ensure continued reliability or service provision;
- Service improvement (SI): An asset that can be updated / upgraded to improve performance or function;

3.6.2 As part of the budget strategy the broad principles adopted in relation to capital are that expenditure should be financed from existing capital resources and not directly from revenue.

3.6.3 At the start of 2017 / 18 the Council had capital reserves totalling £3.51 million. £1.69m was scheduled to be used to support the 2017 / 18 capital programme, which will leave about £1.82m to support future programmes for 2018 / 19 and beyond.

3.6.4 The item relating to the Council windows is dependent on any decision relating to the future use of the Council Offices. Investment in the offices is essential to maintain them as the functional Council Offices, however if alternative options for the Council are decided upon, this item will not be required.

### 3.7 Repairs and Renewals

3.7.1 The Council has a Repairs and Renewal Reserve; this reserve is there to provide funds to support additional costs arising from the need to maintain the Council's asset base. At the start of 2017 / 18, the reserve totalled £225,300. Projects already committed in 2017 / 18 are scheduled to draw £14,000 from the fund leaving a balance of £211,300.

3.7.2 Repairs and Renewals projects are set out in **APPENDIX D** for consideration.

## 4. CONCLUSION

4.1 It is essential for Members to consider the proposals set out in this paper in order to allow sufficient time for this to be built into the 2018 / 19 budget setting process.

4.2 Members are asked to adopt the fees and charges policy to enable Officers to set the proposed fees and charges levels for 2018 / 19.

4.3 Members are invited to comment on the capital scheme prior to their inclusion in the 2018 / 19 budget.

4.4 Members are invited to agree on the Repairs and Renewals projects to be funded from the reserve.

## 5. IMPACT ON CORPORATE GOALS

- 5.1 The Strategic and Financial Planning process contributes towards our Corporate Goal “Delivering good quality, cost effective and valuable services”.
- 5.2 Each of the revenue proposals is also linked to the corporate goals.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – The fees and charges are for discretionary services and therefore impact on service users.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – None.
- (iv) **Impact on resources (financial)** – As outlined in this report.
- (v) **Impact on Resources (human)** – As well as financial factors, availability of staff has been considered for each of the projects and this has been included.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Carrie Cox, Finance Manager, (Tel: 01621 875799).

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## Budget Growth 2018/19 - 2021/22

Directorate	Service Team	Title of the proposal	Full Description of the proposal	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Staffing implications FTE (-)	Corporate Goal	Linked to Capital project / revenue savings?	Categorisation Essential/Desirable/ Invest to Save	Justification for Proposal Why is the growth required? Can it be funded externally by external grant or other partner organisations?
Customer & Community Services	Community and Living	Waste Services (133) - Increased hours	Waste Admin officer hours increased by 7.5 hrs per week. 2 Years fixed term contract funded from Garden Waste income.	3,900	3,900	-	-	0.36	Delivering good quality, cost effective and valued services	no	Invest to Save	Waste Admin officer by 7.5 hrs per week. 2 Years fixed term contract funded from Garden Waste income but subject to agreement of price increase for 2018/19
Customer & Community Services	Community and Living	Street Cleansing (576) Contracted services	New developments in the district require street cleansing. Additional budget required to perform this.	5,000	5,000	5,000	5,000		Delivering good quality, cost effective and valued services	no	Essential	New housing developments added around the district
Customer & Community Services	Community and Living	Car park machines, equipment maintenance	Car park machines, card payments new software (dependant on poss new capital project) - 23 machines	23,000	-	-	-	0	Delivering good quality, cost effective and valued services	yes	Essential	The current machines will not take card payments from July. If capital project not agreed this will be essential.
Customer & Community Services	Leisure, Countryside and Tourism	Parks and other open spaces	Statutory Duty "Conserving Biodiversity". Budget to commission wildlife surveys, species monitoring, Licencing/Professional fees, and emergency works for species/habitat protection. As a Local Authority we have a Statutory duty to conserve Wildlife which includes such wildlife within Parks & Open Spaces (specifically stated in the Duty Wording). In order to competently discharge this duty we need to be aware of what wildlife we may have within key sites and whether we may need to specific Licences from Natural England, Specialist advice or consider mitigation for any work that we may be considering. Our failure to ensure such could result in significant penalty fines if protected species are affected and ignorance of their presence is not a defence.	4,000	-	-	-	0	Protecting and shaping the District	no	Essential	Statutory Duty "Conserving Biodiversity". Budget to commission wildlife surveys, species monitoring, Licencing/Professional fees, and emergency works for species/habitat protection. As a Local Authority we have a Statutory duty to conserve Wildlife which includes such wildlife within Parks & Open Spaces (specifically stated in the Duty Wording). In order to competently discharge this duty we need to be aware of what wildlife we may have within key sites and whether we may need to specific Licences from Natural England, Specialist advice or consider mitigation for any work that we may be considering. Our failure to ensure such could result in significant penalty fines if protected species are affected and ignorance of their presence is not a defence.
Customer & Community Services	Leisure, Countryside and Tourism	Business food / music event	Members have asked for Officers to investigate the provision of a business /food/music event in Promenade Park in 2018. After the successful Smoke and Fire Food Event in 2017 a proposal has been looked into which would add another weekend event and an interlinking week of activity in August next year. The reason for this is the infrastructure required for Smoke and Fire could be utilised for more activities. The proposal is for a one or two day music event (small scale) on the weekend proceeding or the weekend after Smoke and Fire. Marquee accommodation will also be provided throughout the linking week. The marquee could be utilised for the Council in a number ways such as working with local business and local charities	35,000	-	-	-	0	Creating opportunities for economic growth and prosperity	no	Desirable	'Members have asked for Officers to investigate the provision of a business /food/music event in Promenade Park in 2018. After the successful Smoke and Fire Food Event in 2017 a proposal has been looked into which would add another weekend event and an interlinking week of activity in August next year. The reason for this is the infrastructure required for Smoke and Fire could be utilised for more activities. The proposal is for a one or two day music event (small scale) on the weekend proceeding or the weekend after Smoke and Fire. Marquee accommodation will also be provided throughout the linking week. The marquee could be utilised for the Council in a number ways such as working with local business and local charities. At this time it is not possible to exactly quantify the budget and the amount of sponsorship which may be generated over and above the Smoke and Fire event. A provisional figure of £35k is requested as a working budget. Sponsorship will offset cost or meet any shortfall in provision. If Members accept the principle of an event further time will be devoted to developing an accurate events brief and costings for consideration at the January Finance meeting".
Customer & Community Services	Leisure, Countryside and Tourism	Tree Officer / consultant	The council has responsibility for maintaining a varied tree stock in parks and open spaces. There is a lack of professional guidance within the council. This budget will fund either a full time arboricultuist or consultancy allowing essential managment of trees.	22,000	22,000	22,000	0	1	Helping Communities to be safe, active and healthy		Essential	The council has responsibility for maintaining a varied tree stock in parks and open spaces. There is a lack of professional guidance within the council. This budget will fund either a full time arboriculturist or consultancy allowing essential management of trees. This will be phased over three years due to the need of a survey and action plan.

Customer & Community Services	Leisure, Countryside and Tourism	Parks Team Staff (external works)	Loss of external contracts leading to loss of income. Core team unable to reduce staffing levels resulting in service failure. 12 Months funding requested to maintain existing structure to allow time for analysis of current workload.	25,000	-	-	-	1	Delivering good quality, cost effective and valued services	no	Essential	Loss of external contracts leading to loss of income. The core team is unable to reduce staffing levels resulting in service failure. 12 months funding requested to maintain the existing structure to allow time for analysis of current workload.
Customer & Community Services	Leisure, Countryside and Tourism	Hythe Quay Dredging	To remove siltation deposits along Hythe Quay, Maldon that have reduced the effectiveness of the visitor pontoon considerably since it was last undertaken in 2006.	20,000	-	-	-	0	Protecting and shaping the District	no	Essential	To remove siltation deposits along Hythe Quay, Maldon that have reduced the effectiveness of the visitor pontoon considerably since it was last undertaken in 2006.
Customer & Community Services	Community and Living	Burnham Riverside Park	Millfields Access Road Traffic Regulation order and extension of current yellow lines	2,400	-	-	-	0	Protecting and shaping the District	no	Essential	Millfield access road is owned by Maldon District Council. There are existing double yellow lines in part of the road but no associated Traffic Regulation Order for enforcement purposes. In addition officers have requested that the double yellow lines be extended both sides fo the road from its junction with Station Road to the barrier to the car park at the end of the road. This is to deter vehicles from parking which have caused congestion and sight line issues. The request was placed before the South Essex Parking Partnership Joint Committee in 2016 to agree SEPP Technician time. Maldon District Council are funding the proposal. It was agreed at the meeting to proceed with the necessary traffic regulation order
Resources	IT	New Email System	To implement the latest version of the Microsoft Office Productivity suite, Office 2016 / Office 365.	75,000	75,000	75,000	75,000		Delivering good quality, cost effective and valued services	No	Essential	The latest version of the software brings improved flexibility to the way in which the facilities can be delivered plus better integration with messaging and telephony services. Delivering software as cloud based applications reduces the dependence on fixed locations and facilitates home working and truly mobile working. Business continuity / resilience is enhanced as applications and data can be accessed from wherever there is an internet connection. This flexibility allows organisations to develop truly transformational projects. The latest model for purchasing software is to buy it as a service that is consumed as required. This changes the cost profile from capital to revenue, hence the increase in budget.
Resources	IT	Provision of software maintenance and associated services for by CIVICA	CIVICA provides the Document Management and Workflow System used throughout the Council to assist in the delivery of most services. The company has introduced a new charging structure for maintenance of its software and provision of services. The increase was imposed in an arbitrary fashion with no consultation. Initially this led to an increase of £18K per annum, but after discussion this has been reduced to an increase of £10K.	10,000	10,000	10,000	10,000		Delivering good quality, cost effective and valued services	No	Essential	The Civica software is essential to the delivery of most services including Planning (with associated Public Access) and Council Tax. The IT department has been consulting with other Councils and investigating whether an alternative solution might be available. However this would be a major project and not something to be undertaken lightly, so in the short term it is essential to budget for the increase in charges.
Resources	Finance	Removal of credit card surcharge to the public	A change in legislation means we can no longer charge the public	4,000	4,000	4,000	4,000		Delivering good quality, cost effective and valued services	No	Essential	Options will be considered to bring the cost to the Authority down
Resources	IT	BACS system upgrade	BACS have changed the rules on the security protocols it accepts for transferring files (credits and debits) and the current software is not capable of meeting these changes.	4,540	3,540	3,540	3,540		Delivering good quality, cost effective and valued services	No	Essential	The existing system requires updates to continue running. This is based on one quotation and further quotes may bring this down. Future changes will be required to make the solution cloud based, this will be at a much greater cost and subject to a future growth bid.
Resources	Facilities and Contract	Procurement Hub subscription	For the start of the contract, the fees were convered by rebates, this has now run out and thfore a subscription needs to be paid.	11,000						No	Essential	We are in an SLA and therefore this subscription needs to be paid to comply with contract requirements.Notice can be given, and this arrangement will be reviewed on an annual basis

Resources	Finance	Finance System Upgrade	Upgrade the existing finance system and develop reporting capability.	16,750	1,000	1,000	1000			No	Essential	The existing finance system requires updating as the existing version is 2008 and requires a SQL server, this requires replacing and therefore the software requires updating. The reporting capability is also minimal and requires an outside software package to provide added capability, this software is no longer supported, and therefore we need to find an alternative solution. The upgraded version of SAGE provides much improved reporting with a specifically designed add on package, and the internal reporting is also better with additional functionality. The bid is based on 25 days development time at £620 a day plus £1,250 for the reporting module.
Resources	IT	IT training for IT staff	Provide training for the IT team to ensure up to date knowledge on in house systems	15,000						No	Essential	The training will see all IT trained in IT systems management foundation and update training in inhouse services utilised by the Authority.
Planning & Regulatory Services	Strategic Housing	Implementation of the Homlessness Reduction Act requirements	Implement a new system to manage the requirements of the act.	12,000	12,000	12,000	12,000		Helping Communities to be safe, active and healthy	No	Essential	A new statutory requirement to reduce homelessness. A new burdens grant is receivable for the next 3 years at £20k per annum, this covers most of the staffing costs, but not ongoing system costs.
Planning & Regulatory Services	Building Control	Increase Building Control Officer to senior grade	Increase Building Control Officer from grade H to grade I	6,900	6,900	6,900	6,900			No	Invest to save	This will provide a greater level of resilience within the service and allow for the Building Control Service to actively seek to increase the level of fee generating income
Planning & Regulatory Services	Building Control	Increase Hours for admin cover	Increase hours from 18.5 to 20 hours per week	1,100	1,200	1,200	1200	0.04	Strengthening communities to be safe, active and healthy and aiming to be an organisation that delivers good quality cost effective and valued services in	No	Desirable	This will allow for an increase in customer service as well as provide a greater degree of support to the existing Building Control Officers
Planning & Regulatory Services	Enforcement	Extend contract for Enforcement Officer	Extend fixed term Enforcement Officer post	27,000	-	-	-	1	Strengthening communities to be safe, active and healthy and aiming to be an organisation that delivers good quality cost effective and valued services in a transparent way	No	Essential	The role provides assistance to the Corporate Fraud and Enforcement Officers and ensure that these officers are able to prioritise more complex cases whilst also ensuring that all of the initial site visits are undertaken within the agreed time limits. It was intended that the increase in planning fees by 20% would pay for this, but due to a drop in projected fee income this will no longer be covered by the increase.
Planning & Regulatory Services	Development Management	Extend contract for Major Applications Planning Officer	Extend fixed term Major Applications post	34,600	-	-	-	1	Strengthening communities to be safe, active and healthy and aiming to be an organisation that delivers good quality cost effective and valued services in	No	Desirable	To provide additional support to ensure that the sites allocated through the LDP come forward
Planning & Regulatory Services	Planning Policy	Salary supplements	up to 15% market supplement was offered to attract candidates to accept the advertised posts.	18,100	18,100	18,100	18,100		Protecting and Shaping the District Focussing on Key Projects	No	Essential	It was intended that the increase in planning fees by 20% would pay for this, but due to a drop in projected fee income this will no longer be covered by the increase.
Planning & Regulatory Services	Development Management	Salary supplements	up to 15% market supplement was offered to attract candidates to accept the advertised posts.	20,400	20,400	20,400	20,400		Strengthening communities to be safe, active and healthy and aiming to be an organisation that delivers good quality cost effective and valued services in	No	Essential	It was intended that the increase in planning fees by 20% would pay for this, but due to a drop in projected fee income this will no longer be covered by the increase
TOTAL				396,690	183,040	179,140	157,140					

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Committee	Directorate	Policy Area	Current Policy	Existing Concessions	Proposed Policy for 2018/19
Planning and Licensing (P&L)	Customers & Community	River Moorings	Charges are aligned with those of sailing clubs operating on the River Blackwater.	None	Retain existing policy
P&L	Customers & Community	River Wharfage	Set fees to compete with alternative berthing facilities on the east coast	Quarterly charges discount daily fee by 50%. Discounts available to charitable trusts.	Retain existing policy
Community Services (Comm)	Customers & Community	Off Street Car Parking (Maldon Town)	Maximise Income	Disabled Badge holders - Free parking. Season Ticket discounts for Public Sector Partners and Bulk Purchases, Free school drop offs by permit	Retain existing policies. But remove free school drop off permits
Comm	Customers & Community	Off Street Car Parking (Outside Maldon Town)	Free entry	Not Applicable	Retain existing policy
Comm	Customers & Community	Maldon Promenade - Car Parking	Aim for overall 60% cost recovery for Promenade Park - with Car Parking being the key contributor	Maldon District Residents Season Tickets at reduced price. Disabled Badge Holders	Retain existing policy
Comm	Customers & Community	Maldon Promenade - Splash Park	Charge for the use of the splash park to offset costs of operating the facility	None	Retain existing policy
Comm	Customers & Community	Maldon Promenade - Use of Council Land for events	Use of an events day rate charge on council owned land determined by the scale of event size	.	Retain existing policy
Comm	Customers & Community	Maldon Promenade - Sports Facilities	Set charges at market levels comparable with neighbouring facilities	Lower prices for Juniors	Retain existing policy
Comm	Customers & Community	Maldon Promenade - Beach Huts	Charge for hire of Beach Huts	None	Retain existing policy Charges based on market rates
Comm	Customers & Community	Cemeteries	Charges at levels comparable to facilities provided by other local authorities	Local Residents receive discounted rates. Under 16's Free	Retain existing policy
Comm	Customers & Community	Green Waste Bin Service	Charge for Service	Direct Debit and Web Payments receive a £5 per annum discount. Charges in line with other authorities. Charge for Bin for new subscribers	Retain existing policy

Committee	Directorate	Policy Area	Current Policy	Existing Concessions	Proposed Policy for 2018/19
Comm	Customers & Community	Chargeable Household Waste Collection	Charges made for residential homes.	Free to Village Halls. Free Clinical Waste Collection	Retain existing policy with limited collections from villages halls equivalent to domestic property. Charges based on cost recovery for additional collections
Comm	Customers & Community	Chargeable Bulky Household Waste Collection	Charge subject to annual adjustment to reflect contract costs. Fee is collected by Maldon District Council (MDC) and an agreed sum paid to the contractor for each collection	None	Retain existing policy
Comm	Customers & Community	Chargeable Street Cleaning	Charges set by negotiation with Officers	Charitable events and some specific commercial events are free	Retain existing policy
Comm	Customers & Community	Maldon Promenade - Pop Up Trading	Charge for the hire of trading stalls to commercial partners on a daily basis	None	Retain existing policy
Comm	Customers & Community	Parks & Open Spaces - Advertising	Charge for advertising on Council owned assets	None	Retain existing policy Charges based on market rates
Finance and Corporate Services (F&CS)	Customers & Community	Court Costs - Council Tax and Business Rates	Charges set to maximum level agreed by Essex Magistrates Courts	None	Retain existing policy
Comm	Customers & Community	CCTV footage requested by individuals, insurance companies or any organisations other than the Police (subject to data protection)	Chargeable services	None	Retain existing policy
Comm	Customers & Community	Refuse and recycling containers for new build properties	None	None	New Developers to fund the cost of provision of containers for new properties if the development is more than five properties.
Comm	Customers & Community	Parking Permits for Schools	Chargeable Services	Charges made to Schools for parking in MDC owned car parks	Retain existing policy
P&L	Planning and Regulatory Services	Land Charges	Self Financing Service subject to regulations	None	Retain existing policy
P&L	Planning and Regulatory Services	Public Hire Vehicle & Hackney Carriage Licensing	Self financing service	None	Retain existing policy
P&L	Planning and Regulatory Services	Building Control - Chargeable Services	Self financing service (by regulation) Break even over a five year period	None	Retain existing policy
P&L	Planning and Regulatory Services	Development Control and Conservation - Pre Application Advice	Charge for advice	Not Applicable	Retain existing policy

Committee	Directorate	Policy Area	Current Policy	Existing Concessions	Proposed Policy for 2018/19
P&L	Planning and Regulatory Services	Development Control - Planning Performance Agreements (PPA)	Charge on a basis of number of dwellings in the proposed development	Not Applicable	AMENDED POLICY - Charge based on generic officer cost rates to complete the tasks in the PPA.
P&L	Planning and Regulatory Services	Planning Fees (Development control fees)	No Policy - no powers at present	Not Applicable	No Change. Although awaiting amendment to central legislation allowing a 20% uplift to planning fees. We will be implementing this following prior Council approval.
P&L	Planning and Regulatory Services	Licensing Act 2003	Set fees in line with the costs incurred in providing the service	None	Retain existing policy
P&L	Planning and Regulatory Services	Gambling Act 2005	Set fees in line with the costs incurred in providing the service	None	Retain existing policy
P&L	Planning and Regulatory Services	Scrap Metal Dealers Act 2013	Recover reasonable costs of administration in accordance with statutory guidance	None	Retain existing policy
Comm	Planning and Regulatory Services	Pest Control	Chargeable Services	None	Set charges to be competitive with other service providers
Comm	Planning and Regulatory Services	Animal Licensing	Set fees in line with the costs incurred in providing the service	None	Retain existing policy
Comm	Planning and Regulatory Services	Mobile Homes Act 2013	Set fees in line with the costs incurred in providing the service	Exempt those sites that have 8 or less units (Band 1)	Retain existing policy
P&L	Planning and Regulatory Services	Pre Application for Tree Preservation Order advise	Charge for advice previous a free service. Charge to be based full recovery of Officer time	Not Applicable	Retain existing policy
P&L	Planning and Regulatory Services	Street Naming and numbering	Charges to developers and property owners based on cost recovery	Not Applicable	Retain existing policy
P&L	Planning and Regulatory Services	Revisit to rescore food hygiene ratings	Set fees in line with the costs incurred in providing the service. New legislation is expected but it is not clear if fees will be set nationally or locally	Not Applicable	Retain existing policy
F&CS	Resources	Credit Card Admin Fees	Admin fee set to recover bank costs	TIC operations (Discretionary)	Remove surcharges as per legislation January 2018
F&CS	Resources	External Printng	None	Not Applicable	<b>New Policy</b> ( Unless specifically mentioned elsewhere in the Fees & Charges schedule ) to be charged per copy.

Committee	Directorate	Policy Area	Current Policy	Existing Concessions	Proposed Policy for 2018/19
F&CS	Resources	Administration of Parish Elections & Neighbourhood Referendums	Recharge of Direct Costs	Not Applicable	<b>New Policy</b> - Levy an administration charge based on recovery of Officer time




# CAPITAL PROJECT SUMMARY SHEET

Appendix	Directorate	Service Team	Title of the proposal	Full Description of the proposal	2018/19 £	2019/20 £	2020/21 £
C1	Customer & Communities	Community & living	Replacement of Car Park Ticket Machines	New Car Park Machine, Prom MTC	115,000		
C2	Customer & Communities	Community & living	Replacing CCTV cameras	CCTV for Burnham on Crouch Riverside, Brickhouse Farm Community Centre and West Maldon Community Centre)	30,000		
C3	Customer & Communities	Community & living	New Community Protection Van	New Community Protection Van	12,000		
C4	Customer & Communities	Leisure, Countryside and Tourism	Replacement Active Water Features, Splash Park, Prom Park	New heads for Splash Park to keep facility fresh	10,000	10,000	10,000
C5	Customer & Communities	Leisure, Countryside and Tourism	Commemoration of the Fallen from the Maldon District	Commemoration of the Fallen from the Maldon District	50,000		
C6	Resources	Facilities	Window replacement	Replace Windows to south elevations of office building, which are beyond state of economic repair	50,000		
C7	Resources	I.T Services	Upgrade PCs to Windows 10 Enterprise	To upgrade existing Windows 7 based PCs to Windows 10.	45,000		
C8	Resources	I.T Services	PC, printer and server replacement	To replace obsolete IT equipment that is (a) failed and beyond economic repair or (b) that is of a critical nature where maintenance is not available but equipment failure could lead to a service failure or (c) will not function with essential new software.	45,000		
TOTAL					357,000	10,000	10,000

## CAPITAL PROJECT SHEET

**Please note that this capital project sheet will be appended to the relevant Committee Report in the November cycle, therefore everything you put in the form will be shown in the public domain.**

<b>Project Name &amp; Location</b> <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Replacement of Car Park Ticket Machines
<b>Project Category</b> <ul style="list-style-type: none"> <li>• Essential (E)</li> <li>• Service failure (SF)</li> <li>• Service improvement (SI)</li> </ul>	Service Failure
<b>Project Lead Officer</b>	Karen Bomford
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	<p>The existing car park ticketing machines are very old and frequently have coin jams resulting in a high level of customer dissatisfaction and complaints. Additionally because the current machines are so old the card reading facility on them will be obsolete on 1st July 2018 as it will no longer conform to PCI DSS 3.1, this will result in the machines being unable to take credit or debit card payment. This proposal is to replace existing ticket machines in all the councils off street car parks with new machines that can take more modern forms of payment, which customers now expect, such as contactless. this will improve reliability, and consequently revenue to MDC, reduce officer time in emptying the machines, increase customer satisfaction and reduce the amount of time spent on dealing with complaints! The new machines would still have the ability to take credit or debit cards and coins. There are 23 machines which need replacing. The revenue from the machines is over £1m per annum. If the Capital project is not approved a revenue growth bid of £23k will be required to update the software on the currents machines.</p>
<b>Project Start Date</b> <i>(Month and year)</i>	Apr-18
<b>Project Completion Date</b> <i>(Month and year)</i>	Sep-18
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources))</i>	Staff time for procurement process. Contractor to undertake works. Staff time to check works.

<p><b>Picture</b> <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i></p>	
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	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source
	£	£	£	£	
<b>2017/18</b>					
<b>2018/19</b>	115,000	*-23,000			
<b>2019/20</b>					
<b>2020/21</b>					
<b>TOTAL</b>	115,000	-23,000	0	0	0
<b>No additional revenue budget required for this project</b>					

**\*Revenue growth budget bid of £23,000 not required if this is approved.**

<p><b>Describe links to Corporate Goals</b>  <i>Corporate goals:</i>            1) Helping communities to be safe, active and healthy            2) Protecting and shaping the District            Creating opportunities for economic growth and prosperity            4) Delivering good quality, cost effective and valued services            5) Focusing on key projects</p>	<p>This project links to the corporate goal of delivering good quality cost effective and valued services.</p>
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<p><b>Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc.)</b></p>	<p>No</p>
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<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p>no</p>
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<p><b>Is this part of a statutory obligation? If so, state how</b></p>	<p>no</p>
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<p><b>Is the project contractually committed in any way? If so, please describe</b></p>	<p>no</p>
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Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	no
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## CAPITAL PROJECT SHEET

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<b>Project Name &amp; Location</b> <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Replacing CCTV cameras (at Burnham on Crouch Riverside, Brick House Farm Community Centre and West Maldon Community Centre)			
<b>Project Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Service Failure			
<b>Project Lead Officer</b>	Spencer Clarke & Adrian Rayner			
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Replace existing outdated camera recorders with new network recorders which will be wirelessly connected and so can be remotely viewed and monitored. This will have the additional benefit of a saving of officer time having to visit the site to view the footage. These will be high definition in low light facility resulting in better images. As the cameras are new there would be a reduction in revenue costs for maintenance. The priority of replacement is BOC Riverside first (£15k) then Brickhouse and West Maldon Community Centres (£7,500 each).			
<b>Project Start Date</b> <i>(Month and year)</i>	Apr-18			
<b>Project Completion Date</b> <i>(Month and year)</i>	Sep-18			
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources))</i>	Staff time for procurement process. Contractor to supply and install.			
<b>Picture</b> <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>				

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source
		£	£	£	
<b>2018/19</b>	30,000		-5,000		
<b>2019/20</b>					
<b>2020/21</b>					
<b>TOTAL</b>	30,000	0	-5,000	0	0


## Savings to be identified in Revenue budgets for Equipment Maintenance

## CAPITAL PROJECT SHEET

<p><b>Describe links to Corporate Goals</b>  <i>Corporate goals:</i>          1) <i>Helping communities to be safe, active and healthy</i>          2) <i>Protecting and shaping the District</i>          Creating opportunities for economic growth and prosperity          4) <i>Delivering good quality, cost effective and valued services</i>          5) <i>Focusing on key projects</i></p>	<p>This project links directly to the corporate goal of Helping communities to be safe active and healthy.</p>
<p><b>Are any statutory consents required as part of this project? If so, please state</b>          (i.e. planning consent, MMO licence etc.)</p>	<p>Whilst cctv is not a statutory requirement MDC does have a statutory function under Section 17 of the Crime and Disorder Act 1998 to prevent such activities. The cameras will contribute to this.</p>
<p><b>Are there Health &amp; Safety implications?</b>          If so, please state</p>	<p>Yes the cameras will contribute to the safety of the residents of the district.</p>
<p><b>Is this part of a statutory obligation? If so, state how</b></p>	<p>no</p>
<p><b>Is the project contractually committed in any way? If so, please describe</b></p>	<p>no</p>
<p><b>Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details</b></p>	<p>no</p>

## CAPITAL PROJECT SHEET

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<b>Project Name &amp; Location</b> <small>(Enter a meaningful title for the project and provide details of the location of the project)</small>	New Community Protection Van				
<b>Project Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Service improvement				
<b>Project Lead Officer</b>	Adrian Rayner				
<b>Project Description</b> <small>(Clearly set out what the overall purpose and main aims of the project are)</small>	To replace the existing vehicle with a more suitable vehicle to carry out our duties. The old vehicle is eight years old and is used 7 days per week and has now started to develop reliability issues. With the nature of our role we desperately need a vehicle that we can depend on.				
<b>Project Start Date</b> <small>(Month and year)</small>	Apr-18				
<b>Project Completion Date</b> <small>(Month and year)</small>	Jun-18				
<b>Resource Implications</b> <small>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</small>	Staff time for procurement process.				
<b>Picture</b> <small>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</small>					

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
		£	£	£	
<b>2018/19</b>	12,000				
<b>2019/20</b>					
<b>2020/21</b>					
<b>2021/22</b>					
<b>TOTAL</b>	12,000	0	0	0	0

No new revenue budgets required, budgets for current vehicle will be transferred

## CAPITAL PROJECT SHEET

<p><b>Describe links to Corporate Goals</b></p> <p><i>Corporate goals:</i>  1) Strengthening communities to be safe, active and healthy  2) Protecting and shaping the District  3) Creating opportunities for economic growth and prosperity  4) Delivering good quality, cost effective and valued services</p>	<p>Links to the corporate goals of Strengthening communities to be safe, active and healthy and Delivering good quality, cost effective and valued services.</p>
<p>Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).</p>	<p>No</p>
<p>Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)</p>	<p>No</p>
<p>Are there Health &amp; Safety implications? If so, please state</p>	<p>None</p>
<p>Is this part of a statutory obligation? If so, state how</p>	
<p>Is the project contractually committed to in any way? If so, please describe</p>	<p>No</p>
<p>Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details</p>	



## CAPITAL PROJECT SHEET

**Please note that this capital project sheet will be appended to the relevant Committee Report in the November cycle, therefore everything you put in the form will be shown in the public domain.**

<b>Project Name &amp; Location</b> <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Replacement Active water Features, Splash Park, Prom Park
<b>Project Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Service Improvement
<b>Project Lead Officer</b>	Steve Krolzig
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	This three year project will see the replacement of Active Water Features first installed in 2006. It is essential the splash park remains and attraction for visitors to maintain summer repeat customers. At the end of the three years all of the equipment will be replaced and will coincide with a new surface (separate bid (19/20))
<b>Project Start Date</b> <i>(Month and year)</i>	Apr-18
<b>Project Completion Date</b> <i>(Month and year)</i>	Apr-18
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	None, price includes delivery and fitting
<b>Picture</b> <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>	<div style="text-align: center;"> <p><b>The Design</b> Lil Treasure Chest &amp; Pirate Pete's Hat Aqua Spouts</p> <p>KINGCOMBE AQUA</p> <p>WATER ODYSSEY FUN FORMS</p> <p>Lil Treasure Chest Aqua Spout- £ 3,213.66 each Pirate Pete's Hat Aqua Spout- £ 1,964.66 each</p> </div>

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2018/19	10,000				
2019/20	10,000				
2020/21	10,000				
2021/22					
<b>TOTAL</b>	30,000	0	0	0	0

**Revenue Budget of £27k used for Commissioning and De-commissioning and  
general maintenance of Splash Park**

**CAPITAL PROJECT SHEET**

<p>Describe links to Corporate Goals</p> <p><i>Corporate goals:</i></p> <p>1) Strengthening communities to be safe, active and healthy</p> <p>2) Protecting and shaping the District</p> <p>3) Creating opportunities for economic growth and prosperity</p> <p>4) Delivering good quality, cost effective and valued services</p>	<p align="center">Delivering good quality cost effective services</p>
<p>Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).</p>	<p align="center">None identified</p>
<p>Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)</p>	<p align="center">None</p>
<p>Are there Health &amp; Safety implications? If so, please state</p>	<p align="center">None</p>
<p>Is this part of a statutory obligation? If so, state how</p>	<p align="center">No</p>
<p>Is the project contractually committed to in any way? If so, please describe</p>	<p align="center">No</p>
<p>Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details</p>	<p align="center">Links to 19/20 surfacing bid</p>

## CAPITAL PROJECT SHEET

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<b>Project Name &amp; Location</b> <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Commemoration of the Fallen from the Maldon District
<b>Project Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Service Improvement
<b>Project Lead Officer</b>	Richard Holmes
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	To coincide with the commemoration of the end of the First World War a project is planned to mark the occasion by installing a sculpture and map dedicated to all the fallen from the district in past conflicts. The location of all official war graves will also be marked. The project will also see the reinstatement of all name plates associated with trees planted in both the first and second war avenues of remembrance at Promenade Park. The project aims to honour those lost in conflict from within the Maldon District and reflects upon the mood of the nation at the end of the First World War when many trees were planted.
<b>Project Start Date</b> <i>(Month and year)</i>	Feb-18
<b>Project Completion Date</b> <i>(Month and year)</i>	Nov-18
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Designs for the various elements will need to be procured and a sculpture commissioned. All name plates will need to be manufactured and installed ready for 11 November 18.
<b>Picture</b> <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>	


	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
2018/19	50,000		100		
2019/20					
2020/21					
2021/22					
<b>TOTAL</b>	50,000	0	100	0	0

## CAPITAL PROJECT SHEET

<p><b>Describe links to Corporate Goals</b></p> <p><i>Corporate goals:</i></p> <p>1) <i>Strengthening communities to be safe, active and healthy</i></p> <p>2) <i>Protecting and shaping the District</i></p> <p>3) <i>Creating opportunities for economic growth and prosperity</i></p> <p>4) <i>Delivering good quality, cost effective and valued services</i></p>	<p style="text-align: center;">Protecting and shaping the district</p>
<p><b>Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).</b></p>	<p>The timeframe for delivery is short from the confirmation of funding is available necessitation some pre work which may be abortive if the project does not get approval</p>
<p><b>Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc.)</b></p>	<p>This will be investigated but the works are expected to fall within permitted development</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p style="text-align: center;">no</p>
<p><b>Is this part of a statutory obligation? If so, state how</b></p>	<p style="text-align: center;">no</p>
<p><b>Is the project contractually committed to in any way? If so, please describe</b></p>	<p style="text-align: center;">no</p>
<p><b>Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details</b></p>	<p style="text-align: center;">None</p>

## CAPITAL PROJECT SHEET

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<b>Project Name &amp; Location</b> <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Window replacement
<b>Project Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Essential
<b>Project Lead Officer</b>	Rob Winfield
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Replace windows to south elevations of office building, which are beyond state of economic repair.
<b>Project Start Date</b> <i>(Month and year)</i>	Apr-18
<b>Project Completion Date</b> <i>(Month and year)</i>	Sep-18
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	
<b>Picture</b> <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>	

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
<b>2018/19</b>	50,000				
<b>2019/20</b>					
<b>2020/21</b>					
<b>2021/22</b>					
<b>TOTAL</b>	50,000	0	0	0	0

## CAPITAL PROJECT SHEET

<p><b>Describe links to Corporate Goals</b></p> <p><i>Corporate goals:</i></p> <ul style="list-style-type: none"> <li>1) <i>Strengthening communities to be safe, active and healthy</i></li> <li>2) <i>Protecting and shaping the District</i></li> <li>3) <i>Creating opportunities for economic growth and prosperity</i></li> <li>4) <i>Delivering good quality, cost effective and valued services</i></li> </ul>	<p>Delivering good quality, cost effective and valued services</p>
<p><b>Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).</b></p>	<p>No</p>
<p><b>Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)</b></p>	<p>Planning consent</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p>No</p>
<p><b>Is this part of a statutory obligation? If so, state how</b></p>	<p>No</p>
<p><b>Is the project contractually committed to in any way? If so, please describe</b></p>	<p>No</p>
<p><b>Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details</b></p>	<p>External building maintenance. Repairs and decoration to window frames of previous years preserved</p>

## CAPITAL PROJECT SHEET

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<b>Project Name &amp; Location</b> <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	Upgrade PCs to Windows 10 Enterprise				
<b>Project Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Service Improvement				
<b>Project Lead Officer</b>	Simon Mitchell				
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	To upgrade existing Windows 7 based PCs to Windows 10.				
<b>Project Start Date</b> <i>(Month and year)</i>	Apr-18				
<b>Project Completion Date</b> <i>(Month and year)</i>	Mar-19				
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Procurement of licences and installation of software undertaken by members of the IT Team. Inhouse training and familiarisation for all users.				
<b>Picture</b> <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>					

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
		£	£	£	
<b>2018/19</b>	45,000				
<b>2019/20</b>					
<b>2020/21</b>					
<b>2021/22</b>					
<b>TOTAL</b>	45,000	0	0	0	0

## CAPITAL PROJECT SHEET

<p><b>Describe links to Corporate Goals</b></p> <p><i>Corporate goals:</i></p> <p>1) <i>Strengthening communities to be safe, active and healthy</i></p> <p>2) <i>Protecting and shaping the District</i></p> <p>3) <i>Creating opportunities for economic growth and prosperity</i></p> <p>4) <i>Delivering good quality, cost effective and valued services</i></p>	<p>Delivering good quality, cost effective and valued services -</p> <p>The Council relies on Windows based PCs to deliver its services. Currently Windows version 7 is used across the Authority. Microsoft discontinued mainstream support for that product in January 2015. The extended support cycle finishes in January 2020 so the Council has to upgrade to the newer Windows version 10 before then.</p>
<p><b>Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).</b></p>	<p>Prices are subject to change due to (a) exchange rate fluctuations, (b) Microsoft changing the licencing model and associated charges. Technology changes continuously so the Council may decide to take advantage of any newer facilities that are available before the upgrade is commenced, if there is a clear advantage to making such a change.</p>
<p><b>Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)</b></p>	<p style="text-align: center;">None</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p style="text-align: center;">None</p>
<p><b>Is this part of a statutory obligation? If so, state how</b></p>	<p style="text-align: center;">No</p>
<p><b>Is the project contractually committed to in any way? If so, please describe</b></p>	<p style="text-align: center;">No</p>
<p><b>Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details</b></p>	<p style="text-align: center;">Ongoing requirement to deliver all services.</p>



## CAPITAL PROJECT SHEET

**Please note that this capital project sheet will be appended to the relevant Committee Report in the November cycle, therefore everything you put in the form will be shown in the public domain.**

<b>Project Name &amp; Location</b> <i>(Enter a meaningful title for the project and provide details of the location of the project)</i>	PC, printer and server replacement
<b>Project Category</b> <ul style="list-style-type: none"> <li>• Essential (E)</li> <li>• Service failure (SF)</li> <li>• Service improvement (SI)</li> </ul>	Essential
<b>Project Lead Officer</b>	Simon Mitchell
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	To replace obsolete IT equipment that is (a) failed and beyond economic repair or (b) that is of a critical nature where maintenance is not available but equipment failure could lead to a service failure or (c) will not function with essential new software.
<b>Project Start Date</b> <i>(Month and year)</i>	Apr-18
<b>Project Completion Date</b> <i>(Month and year)</i>	Mar-19
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Procurement of hardware, configuration and installation by IT Team Members
<b>Picture</b> <i>(Insert a picture in relation to the project (i.e. the defective site, the area for improvement, the asset due for replacement))</i>	

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
<b>2018/19</b>	45,000				
<b>2019/20</b>					
<b>2020/21</b>					
<b>2021/22</b>					
<b>TOTAL</b>	45,000	0	0	0	0

## CAPITAL PROJECT SHEET

<p><b>Describe links to Corporate Goals</b></p> <p><i>Corporate goals:</i></p> <p>1) <i>Strengthening communities to be safe, active and healthy</i></p> <p>2) <i>Protecting and shaping the District</i></p> <p>3) <i>Creating opportunities for economic growth and prosperity</i></p> <p>4) <i>Delivering good quality, cost effective and valued services</i></p>	<p>Delivering good quality, cost effective and valued services - all services across the Council depend on the use of reliable and efficient IT equipment. Replacement of older equipment is essential to ensure that services can operate effectively.</p> <p>Protecting and shaping the District - new equipment is more energy efficient and has a lower environmental impact. Old equipment is recycled.</p>
<p><b>Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).</b></p>	<p style="text-align: center;">None</p>
<p><b>Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)</b></p>	<p style="text-align: center;">None</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p style="text-align: center;">None</p>
<p><b>Is this part of a statutory obligation? If so, state how</b></p>	<p style="text-align: center;">No</p>
<p><b>Is the project contractually committed to in any way? If so, please describe</b></p>	<p style="text-align: center;">No</p>
<p><b>Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details</b></p>	<p style="text-align: center;">Ongoing requirement to deliver all services.</p>

REPAIRS AND RENEWALS SUMMARY SHEET

Appendix	Directorate	Service Team	Full Description of the proposal	2018/19 £
D1	Customer & Communities	Leisure & Community	Brickhouse Farm security doors phase 2 and 3. The access-fire doors to the main building are becoming a danger with failing joints and shrinkage, and on occasion rendering the building insecure, with constant visits required by the maintenance team and contractors to adjust locks and hinges and re-bed glazing panels.	9,000
D2	Customer & Communities	Leisure & Community	New Buck for the Parks Tipper truck. The current Buck does not work so cannot be used on site.	8,000
D3	Customer & Communities	Leisure & Community	Replacement street lights to LED'S for the following sites and car parks - Burnham Riverside park (12 units), Longfields(5 units), White Horse(11 units), Butt Lane (10 units), Friary Fields (7 units),West Maldon(14 units) and High Street East (3 units).	30,000
D4	Resources	Facilities	Carry out 5 year fixed wire and portable appliance testing.	7,000
			<b>TOTAL</b>	<b>54,000</b>

## REQUEST FOR RESERVES

**Please note that this reserve request sheet will be appended to the relevant Committee Report in the November cycle, therefore everything you put in the form will be shown in the public domain.**

<b>Reserve Required</b> (Please add detail of the reserve you are requesting funds from)	Repairs and Renewals reserve
<b>Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Service Failure
<b>Lead Officer</b>	Steve Krolzig
<b>Works Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Brickhouse Farm security doors phase 2 and 3. The access-fire doors to the main building are becoming a danger with failing joints and shrinkage, and on occasion rendering the building insecure, with constant visits required by the maintenance team and contractors to adjust locks and hinges and re-bed glazing panels.
<b>Works Start Date</b> <i>(Month and year)</i>	Apr-18
<b>Works Completion Date</b> <i>(Month and year)</i>	Dec-18
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Contractors will be used for the works

	<b>Revenue Implications</b>
	<b>One-off</b>
	<b>£</b>
<b>2018/19</b>	9,000

<b>Describe links to Corporate Goals</b> <i>Corporate goals:</i> 1) Strengthening communities to be safe, active and healthy 2) Protecting and shaping the District 3) Creating opportunities for economic growth and prosperity 4) Delivering good quality, cost effective and valued services	Delivering good quality , cost effective and valued services
<b>Are there any risks to the delivery of this works in the timeframe and/or costs detailed above. (Please provide details).</b>	No
<b>Are there Health &amp; Safety implications? If so, please state</b>	No
<b>Is this part of a statutory obligation? If so, state how</b>	No

## REQUEST FOR RESERVES

**Please note that this reserve request sheet will be appended to the relevant Committee Report in the November cycle, therefore everything you put in the form will be shown in the public domain.**

<b>Reserve Required</b> (Please add detail of the reserve you are requesting funds from)	Repairs and Renewals reserve
<b>Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Service Failure
<b>Lead Officer</b>	Steve Krolzig
<b>Works Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	New Buck for the Parks Tipper truck. The current Buck does not work so cannot be used on site.
<b>Works Start Date</b> <i>(Month and year)</i>	Apr-18
<b>Works Completion Date</b> <i>(Month and year)</i>	Jun-18
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Staff time for procurement

	<b>Revenue Implications</b>
	<b>One-off</b>
	<b>£</b>
<b>2018/19</b>	8,000

<b>Describe links to Corporate Goals</b> <i>Corporate goals:</i> 1) Strengthening communities to be safe, active and healthy 2) Protecting and shaping the District 3) Creating opportunities for economic growth and prosperity 4) Delivering good quality, cost effective and valued services	Delivering good quality , cost effective and valued services
<b>Are there any risks to the delivery of this works in the timeframe and/or costs detailed above. (Please provide details).</b>	No
<b>Are there Health &amp; Safety implications? If so, please state</b>	No
<b>Is this part of a statutory obligation? If so, state how</b>	No

## REQUEST FOR RESERVES

**Please note that this reserve request sheet will be appended to the relevant Committee Report in the November cycle, therefore everything you put in the form will be shown in the public domain.**

<b>Reserve Required</b> (Please add detail of the reserve you are requesting funds from)	Repairs and Renewals reserve
<b>Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Service Failure
<b>Lead Officer</b>	Steve Krolzig
<b>Works Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Replacement street lights to LED'S for the following sites and car parks - Burnham Riverside park (12 units), Longfields(5 units), White Horse(11 units), Butt Lane (10 units), Friary Fields (7 units), West Maldon(14 units) and High Street East (3 units).
<b>Works Start Date</b> <i>(Month and year)</i>	Apr-18
<b>Works Completion Date</b> <i>(Month and year)</i>	Jul-18
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Staff time for procurement and installation

	<b>Revenue Implications</b>
	<b>One-off</b>
	<b>£</b>
<b>2018/19</b>	<b>30,000</b>

<b>Describe links to Corporate Goals</b> <i>Corporate goals:</i> 1) Strengthening communities to be safe, active and healthy 2) Protecting and shaping the District 3) Creating opportunities for economic growth and prosperity 4) Delivering good quality, cost effective and valued services	Delivering good quality , cost effective and valued services
<b>Are there any risks to the delivery of this works in the timeframe and/or costs detailed above. (Please provide details).</b>	No
<b>Are there Health &amp; Safety implications? If so, please state</b>	No
<b>Is this part of a statutory obligation? If so, state how</b>	No

## REQUEST FOR RESERVES

**Please note that this reserve request sheet will be appended to the relevant Committee Report in the November cycle, therefore everything you put in the form will be shown in the public domain.**

<b>Reserve Required</b> (Please add detail of the reserve you are requesting funds from)	Repairs and Renewals
<b>Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Essential
<b>Lead Officer</b>	David Rust
<b>Works Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	5 Yearly testing of Fixed Wiring and Portable Appliance Testing.
<b>Works Start Date</b> <i>(Month and year)</i>	Jun-18
<b>Works Completion Date</b> <i>(Month and year)</i>	Sep-18
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Work will be carried out by an external contractor.

	<b>Revenue Implications</b>
	<b>One-off</b>
	<b>£</b>
<b>2018/19</b>	<b>7,000</b>

<b>Describe links to Corporate Goals</b> <i>Corporate goals:</i> 1) Strengthening communities to be safe, active and healthy 2) Protecting and shaping the District 3) Creating opportunities for economic growth and prosperity 4) Delivering good quality, cost effective and valued services	Supports all, as is relevant to the Council offices where functions are performed.
<b>Are there any risks to the delivery of this works in the timeframe and/or costs detailed above. (Please provide details).</b>	None
<b>Are there Health &amp; Safety implications? If so, please state</b>	Yes - If not completed, and there were to be an issue with the wiring or equipment, we would then be liable.
<b>Is this part of a statutory obligation? If so, state how</b>	Health and Safety at Work Act requires this testing.

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## **REPORT of DIRECTOR OF RESOURCES**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
28 NOVEMBER 2017**

### **COUNCIL TAX BASE 2018 / 19**

#### **1. PURPOSE OF THE REPORT**

- 1.1 The Council is required to set the tax base for Council Tax between by 31 January in the financial year preceding that to which the tax base applies.
- 1.2 The Council has to notify its tax base calculations to the Essex County Council, Essex Fire Authority and the Police and Crime Commissioner for Essex and Parish / Town Councils by 31 January.

#### **2. RECOMMENDATIONS**

- (i) that the contents of the report be noted;

To the Council:

- (ii) that in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012 the amount calculated by the Maldon District Council as its council tax base for the 2018 / 19 year shall be set at 24,193.2.

#### **3. SUMMARY OF KEY ISSUES**

- 3.1 The Council is required to approve the Council Tax Base figure for 2018/19 by 31 January 2018. The Council Tax Base figure is an integral part of the calculations for setting the level of Council Tax, and is the number of chargeable properties adjusted for certain factors, e.g. single persons' discounts, local council tax support, exemptions etc. This report sets out the factors and the calculations used to arrive at the Council Tax Base for 2018 / 19, the detailed calculations are set out in **APPENDIX A**.
- 3.2 The calculations in **APPENDIX A** are based on the valuation list as at 11 September 2017 adjusted for certain factors as at 2 October 2017.
- 3.3 The collection rate used in the tax base calculation for 2018 / 19 is 98.3%; which is the same as that used in the current year and is still considered to be achievable.

- 3.4 The Council Tax Base figure set for the current year (2017/18) is 23,868.7, so the new figure for the forthcoming year represents an increase of 324.5 or 1.36%. The key reason for the increase is the number of new houses now on the valuation list. It should be noted that the impact of the Local Council Tax Support Scheme on the tax base is a little less than the current year.

#### **4. CONCLUSION**

- 4.1 The annual setting of the Council's tax base is a prerequisite to the setting of the council tax for the following year.

#### **5. IMPACT ON CORPORATE GOALS**

- 5.1 Declaration of the Councils tax base is a technical exercise necessary to meet statutory obligations rather than corporate goals. The generation of additional income through the maximisation of the Council's tax base indirectly supports all corporate goals.

#### **6. IMPLICATIONS**

- (i) **Impact on Customers** – None identified.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk** – There are no risks associated with this report.
- (iv) **Impact on Resources (financial)** – The increase in tax base will increase the Council's council tax revenue for 2018 / 19.
- (v) **Impact on Resources (human)** – None identified.
- (vi) **Impact on the Environment** – None identified.

Background Papers: None.

Enquiries to: Carrie Cox, Finance Manager, (Tel: 01621 875799).

## CTB(October 2017)

**Calculation of Council Tax Base**Please e-mail to : [ctb.statistics@communities.gsi.gov.uk](mailto:ctb.statistics@communities.gsi.gov.uk)

Please enter your details after checking that you have selected the correct local authority name

Ver 1.0

Please select your local authority's name from this list

Lincoln  
Liverpool  
Luton  
Maldstone  
Maldon  
Malvern Hills

Check that this is your authority :

Maldon

E-code :

E1539

Local authority contact name :

Nick Foxcroft

Local authority contact telephone number :

01621 776806

Local authority contact e-mail address :

[control.team@maldon.gov.uk](mailto:control.team@maldon.gov.uk)

## CTB(October 2017) form for Maldon

Completed forms should be received by DCLG by Friday 13 October 2017

Dwellings shown on the Valuation List  
for the authority on  
Monday 11 September 2017

Band A  
entitled to  
disabled relief  
reduction  
COLUMN 1

Band A  
COLUMN 2

Band B  
COLUMN 3

Band C  
COLUMN 4

Band D  
COLUMN 5

Band E  
COLUMN 6

Band F  
COLUMN 7

Band G  
COLUMN 8

Band H  
COLUMN 9

TOTAL  
COLUMN 10

## Part 1

1. Total number of dwellings on the Valuation List		2,348	3,669	7,884	5,137	4,389	2,735	1,465	174	27,801.0
2. Number of dwellings on valuation list exempt on 2 October 2017 (Class B & D to W exemptions)		116	51	71	36	30	14	7	0	325.0
3. Number of demolished dwellings and dwellings outside area of authority on 2 October 2017 (please see notes)		2	0	0	0	0	0	0	0	2.0
4. Number of chargeable dwellings on 2 October 2017 (treating demolished dwellings etc as exempt) (lines 1-2-3)		2,230	3,618	7,813	5,101	4,359	2,721	1,458	174	27,474.0
5. Number of chargeable dwellings in line 4 subject to disabled reduction on 2 October 2017		6	14	37	24	30	16	14	11	152.0
6. Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	6	14	37	24	30	16	14	11		152.0
7. Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5+6 or in the case of column 1, line 6)	6	2,238	3,641	7,800	5,107	4,345	2,719	1,455	163	27,474.0
8. Number of dwellings in line 7 entitled to a single adult household 25% discount on 2 October 2017	1	1,342	1,655	2,328	1,210	748	332	175	11	7,802.0

## CTB(October 2017)

**Calculation of Council Tax Base**Please e-mail to : [ctb.statistics@communities.gsi.gov.uk](mailto:ctb.statistics@communities.gsi.gov.uk)

Please enter your details after checking that you have selected the correct local authority name

Ver 1.0

9. Number of dwellings in line 7 entitled to a 25% discount on 2 October 2017 due to all but one resident being disregarded for council tax purposes	0	6	47	96	48	28	15	6	0	246.0
10. Number of dwellings in line 7 entitled to a 50% discount on 2 October 2017 due to all residents being disregarded for council tax purposes	0	1	3	2	2	0	9	9	0	26.0
11. Number of dwellings in line 7 classed as second homes on 2 October 2017 (b/fwd from Flex Empty tab)		68	58	55	36	27	16	12	6	278.0
12. Number of dwellings in line 7 classed as empty and receiving a zero% discount on 2 October 2017 (b/fwd from Flex Empty tab)		44	60	73	35	36	19	14	1	282.0
13. Number of dwellings in line 7 classed as empty and receiving a discount on 2 October 2017 and not shown in line 12 (b/fwd from Flex Empty tab)		0	0	0	0	0	0	0	0	0.0
14. Number of dwellings in line 7 classed as empty and being charged the Empty Homes Premium on 2 October 2017 (b/fwd from Flex Empty tab)		17	13	19	12	10	6	4	0	81.0
15. Total number of dwellings in line 7 classed as empty on 2 October 2017 (lines 12, 13 & 14).		61	73	92	47	46	25	18	1	363.0
16. Number of dwellings that are classed as empty on 2 October 2017 and have been for more than 6 months. NB These properties should have already been included in line 15 above.		31	39	53	31	32	14	17	1	218.0
16a. The number of dwellings included in line 16 above which are empty on 2 October 2017 because of the flooding that occurred between 1 December 2013 and 31 March 2014 and are only empty because of the flooding.		0	0	0	0	0	0	0	0	0.0
16b. The number of dwellings included in line 16 above which are empty on 2 October 2017 because of the flooding that occurred between 1 December 2015 and 31 March 2016 and are only empty because of the flooding.		0	0	0	0	0	0	0	0	0.0

## CTB(October 2017)

**Calculation of Council Tax Base**Please e-mail to : [ctb.statistics@communities.gsi.gov.uk](mailto:ctb.statistics@communities.gsi.gov.uk)

Please enter your details after checking that you have selected the correct local authority name

Ver 1.0

17. Number of dwellings that are classed as empty on 2 October 2017 and have been for more than 6 months and fall to be treated under empty homes discount class D (formerly Class A exemptions). NB These properties should have already been included in line 15 above. Do NOT include any dwellings included in line 16a and 16b above.		0	2	1	0	1	1	0	0	5.0
18 Line 16 - line 16a - line 16b - line 17. This is the equivalent of line 18 on the CTB(October 2016) and will be used in the calculation of the New Homes Bonus.		31	37	52	31	31	13	17	1	213.0
19. Number of dwellings in line 7 where there is liability to pay 100% council tax before Family Annexe discount	5	863	1,923	5,354	3,835	3,559	2,357	1,261	152	19,309.0
20. Number of dwellings in line 7 that are assumed to be subject to a discount or a premium before Family Annexe discount	1	1,375	1,718	2,446	1,272	786	362	194	11	8,165.0
21. Reduction in taxbase as a result of the Family Annexe discount (b/fwd from Family Annexe tab)	0.0	7.9	1.3	0.5	0.0	0.0	0.0	0.0	0.0	9.6
22. Number of dwellings equivalents after applying discounts and premiums to calculate taxbase	5.8	1,896.6	3,219.3	7,201.5	4,797.5	4,156.0	2,630.8	1,407.3	160.3	25,474.9
23. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
24. Total number of band D equivalents (to 1 decimal place) (line 22 x line 23)	3.2	1,264.4	2,503.9	6,401.3	4,797.5	5,079.6	3,800.0	2,345.4	320.5	26,515.8
25. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2017-18 (to 1 decimal place)										0.0
26. Tax base (to 1 decimal place) (line 24 col 10 + line 25)										26,515.8

## CTB(October 2017)

**Calculation of Council Tax Base**

Please e-mail to : [ctb.statistics@communities.gsi.gov.uk](mailto:ctb.statistics@communities.gsi.gov.uk)  
 Please enter your details after checking that you have selected the correct local authority name

Ver 1.0

**Part 2**

27. Number of dwellings equivalents after applying discounts and premiums to calculate tax base (Line 22)	5.75	1,896.62	3,219.25	7,201.50	4,797.50	4,156.00	2,630.75	1,407.25	160.25	25,474.9
28.Reduction in taxbase as a result of local council tax support (b/fwd from CT Support tab)	1.40	509.63	556.33	834.89	218.98	93.10	26.64	8.50	1.74	2,251.2
29. Number of dwellings equivalents after applying discounts, premiums and local tax support to calculate taxbase	4.4	1,387.0	2,662.9	6,366.6	4,578.5	4,062.9	2,604.1	1,398.8	158.5	23,223.7
30. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
31. Total number of band D equivalents after allowance for council tax support (to 1 decimal place) (line 29 x line 30)	2.4	924.7	2,071.2	5,659.2	4,578.5	4,965.8	3,761.5	2,331.3	317.0	24,611.6
32. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2017-18 (to 1 decimal place)(line 25)										0.0
33. Tax base after allowance for council tax support (to 1 decimal place) (line 31 col 10 + line 32)										24,611.6
Collection Rate										98.3%
										24,193.2