

**UPDATED 19/02/21**

(Agenda Item 5f Council Tax 2021-22 – Appendix A)

APOLOGIES    Committee Services  
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DIRECTOR OF STRATEGY,  
PERFORMANCE AND  
GOVERNANCE'S OFFICE  
DIRECTOR OF STRATEGY, PERFORMANCE  
AND GOVERNANCE  
Paul Dodson

15 February 2021

Dear Councillor

You are summoned to attend the extraordinary meeting of the;

**COUNCIL**

on **TUESDAY 23 FEBRUARY 2021 at 6.00 pm.**

Please note that this will be a **remote meeting** – Members to access the meeting via Microsoft Teams. Members of the press and public may listen to the live stream via the [Council's YouTube channel](#).

A copy of the agenda is attached.

Yours faithfully



Director of Strategy, Performance and Governance

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**AGENDA  
COUNCIL (EXTRAORDINARY)**

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**TUESDAY 23 FEBRUARY 2021**

1. **Chairman's notices**
2. **Apologies for Absence**
3. **Declaration 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).

**Local Government Finance Act 1992 – Section 106**

Will any Members affected by Section 106 please note that any declarations to that effect should be made on the commencement of the meeting or immediately on arrival if this is later. Under Section 106 a Member who has not paid an amount due in respect of their Council Tax for at least two months after it became payable is precluded from voting on any matters affecting the level of Council Tax or the arrangements for administering the Council Tax. (The Member is, however, entitled to speak).

4. **Strategy and Resources Committee - 28 January 2021** (Pages 7 - 126)

To consider the Minutes of the Strategy and Resources Committee held on 28 January 2021, including the following recommendations to the Council:

- Minute 221 - Annual Review of Financial Regulations;
- Minute 222 - Contract Procedure Rules Review and Update;
- Minute 223 - Council Tax Support Scheme 2021 / 22;
- Minute 224 - Pay Policy Statement;
- Minute 225 - Insurance Tender.

Please note that the following recommendations are not for consideration at this point as they form part of Agenda Item 5 – 2021 / 22 Budget and Medium-Term Financial Strategy due to be considered at this meeting:

- Minute 216 - Discretionary Fees and Charges 2021 / 22;
- Minute 217 - Treasury Management Strategy 2021 / 22;
- Minute 218 - Capital and Investment Strategies for 2021 / 22 and Minimum Revenue Statement 2021 / 22;

- Minute 219 - Revised 2020 / 21 Estimates, Original 2021 / 22 Budget Estimates and Council Tax 2021 / 22;
- Minute 220 - Medium Term Financial Strategy 2021 / 22 to 2023 / 24.

5. **2021 / 22 Budget and Medium Term Financial Strategy**

To receive a Budget Statement from the Leader of the Council, to consider the following reports of the Section 151 Officer (copies enclosed) and to determine the level of Council Tax.

Members' attention is drawn to the following Procedure rules:

- **Voting** - Procedure Rule 13(5) set outs the requirement for any vote taken at a budget decision meeting (as defined by the Local Government Finance Act 1992) to be recorded in the Minutes.
  - **Budget Speech** – Procedure Rule 1(13)(a) Sets out the time limits in relation to the budget speech and (b) details the requirements for making alternative proposal or amendment as part of the Budget and Council Tax setting.
- a) Capital and Investment Strategies for 2020 / 21 and Minimum Reserve Strategy 2021 / 22 (Pages 127 - 152)
  - b) Treasury Management Strategy 2021 / 22 (Pages 153 - 202)
  - c) Discretionary Fees and Charges 2020 / 21 (Pages 203 - 226)
  - d) Medium Term Financial Strategy 2021 / 22 to 2023 / 24 (Pages 227 - 288)
  - e) Revised 2020 / 21 and Original 2021 / 22 Budget Estimates and Council Tax 2021 / 22 (Pages 289 - 316)
  - f) Council Tax 2021 / 22 (Pages 317 - 326) **Appendix A UPDATED 19/02/21**

6. **High Street Reset and Recovery - Maldon High Street Consultation** (Pages 327 - 332)

To consider the report of the Director of Strategy, Performance and Governance, (copy enclosed).

7. **Bradwell B Programme Closedown and Local Development Plan Review** (Pages 333 - 354)

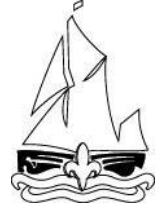
To consider the report of the Director of Strategy, Performance and Governance, (copy enclosed).

**NOTICES**

**Sound Recording of Meeting**

Please note that the Council will be recording and publishing on the Council's website any part of this meeting held in open session. At the start of the meeting an announcement will be made about the recording.





**MINUTES of  
STRATEGY AND RESOURCES COMMITTEE  
28 JANUARY 2021**

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**PRESENT**

Chairman	Councillor R H Siddall
Vice-Chairman	Councillor C Swain
Councillors	Mrs P A Channer, CC, M F L Durham, CC, M R Edwards, M W Helm, K M H Lagan, W Stamp, Mrs M E Thompson and Miss S White
Substitutes	Councillor Mrs J Stilts
In attendance	Councillors Mrs J L Fleming, A L Hull and C Morris

**210. CHAIRMAN'S NOTICES**

The Chairman welcomed everyone to this remote meeting of the Strategy and Resources Committee, held under new regulations which had come into effect in response to the COVID-19 situation. The Chairman then went through some general housekeeping arrangements for the meeting.

A roll call of those Members present was taken.

**211. APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor N J Skeens and in accordance with notice duly given Councillor Mrs J Stilts was attending as a substitute for Councillor Skeens.

**212. MINUTES - 19 NOVEMBER 2020**

**RESOLVED**

- (i) that the Minutes of the Strategy and Resources Committee held on 19 November 2020 be received.

The Chairman advised that Councillor C Morris had been in attendance, but this was not recorded and the Minutes would be amended accordingly.

## **RESOLVED**

- (ii) that subject to the above amendment, the Minutes of the Strategy and Resources Committee held on 19 November 2020 be agreed (by assent).

### **213. MINUTES - 24 NOVEMBER 2020 (SPECIAL MEETING)**

**RESOLVED** that the Minutes of the special Strategy and Resources Committee held on 24 November 2020 be agreed (by assent).

### **214. DISCLOSURE OF INTEREST**

Councillor Mrs P A Channer disclosed a non-pecuniary interest as a Member of Essex County Council and in particular regarding the Capital Strategy and other document. She declared that she was a member of the Crouch Harbour Advisory Committee which was mentioned and in the papers relating to houseboats. Councillor Mrs Channer advised that although in the past she had removed herself from the meeting for such items she felt she was able to remain.

Councillor K M H Lagan declared a non-pecuniary interest in Agenda Item 7 – Discretionary Fees and Charges 2021 / 22 having had conversations with several business owners in the past and was a previous boat owner and operator.

Councillor M F L Durham disclosed a non-pecuniary interest as a Member of Essex County Council and advised that in respect of Agenda Item 21 – Millfields Caravan Park, Burnham-on-Crouch he was Chairman of Visit Essex (non-pecuniary).

Councillor Mrs J Stilts disclosed a non-pecuniary interest in Agenda Item 7 – Discretionary Fees and Charges 2021 / 22 as she knew some of the barge owners and a member of the Maldon Heritage Harbour Association and the Little Ship Club.

Councillor M R Edwards declared a non-pecuniary interest in Agenda Item 7 – Discretionary Fees and Charges 2021 / 22 as a member of a Thames Barge Trust.

### **215. PUBLIC PARTICIPATION**

No requests had been received.

### **216. DISCRETIONARY FEES AND CHARGES 2021 / 22**

The Committee considered the report of the Director of Resources seeking Members' consideration of the fees and charges for 2021 / 22 that generated greater than £2,000. For those fees and charges that generated less than £2,000 delegation to the Director of Resources for their review and setting was sought.

The report advised that the proposed fees and charges for 2021 / 22 (set out in Appendix A to the report) had been based on policy decisions recently updated and agreed by this

Committee at its last meeting. A number of new charges were being introduced in place of old ones and a summary of the changes was set out in Appendix B.

The Finance Working Group were proposing changes to the Wharfage fees and section 4 of the report set out the three options put forward for consideration by the Committee. The Chairman referred to the Working Group being newly created, the work it had undertaken and thanked both Members and Officers for their hard work and contributions.

The Chairman put the recommendations as set out in the report and this was duly seconded.

During the debate that ensued support was given by some Members to the proposed 50% reduction for barge owners in respect of Wharfage costs with particular reference being made to the impact of the COVID-19 pandemic, tourism and the importance of maintaining the barges within the District. Some concern was raised regarding setting a precedent and not applying a similar discount to other businesses on the prom, such as kiosks.

In response to a question regarding previous discounts applied to Wharfage fees, the Commercial Manager reported that in December 2019 the Council had agreed to apply a 50% discount to end March 2020 and from April 2020 a new baseline figure was applied which in real terms related to a 40% discount. The Director of Service Delivery, in response to a further question, highlighted that if barge operators met certain criteria there was a grant available in respect of the COVID-19 pandemic.

In accordance with Procedure Rule No. 13 (3) Councillor K M H Lagan requested a recorded vote.

For the recommendation:

Councillors M R Edwards, K M H Lagan, R H Siddall, W Stamp, Mrs J Stilts and C Swain.

Against the recommendation:

None.

Abstention:

Councillors Mrs P A Channer, M F L Durham and M W Helm.

**RECOMMENDED**

- (i) That subject to recommendation (ii) the detailed Fees and Charges for 2021 / 22 as set out in Appendix A to the report be agreed;
- (ii) That wharfage fees be reduced by 50% in 2021 / 22 to £1,787.50 for annual fees and £164 for monthly fees, excluding VAT.

Councillor Miss S White joined the meeting during this item of business.

## **217. TREASURY MANAGEMENT STRATEGY 2021 / 22**

The Committee considered the report of the Director of Resources presenting the Treasury Management Strategy 2021 / 22 (attached as Appendix 1 to the report) for approval by the Council. The supporting Treasury Management Practices were attached as Appendix 2 to the report.

It was noted that the Treasury Management Strategy had been updated in line with statutory requirements and good practice, having regard to the Council's financial position, links to wider strategies, plans & aims and the advice of the Council's external treasury advisor.

The Chairman put the recommendation as set out in the report, this was duly seconded and agreed by assent.

**RECOMMENDED** that the Treasury Management Strategy 2021 / 22, attached at Appendix 1 to the report, be approved.

## **218. CAPITAL AND INVESTMENT STRATEGIES FOR 2021 / 22 AND MINIMUM REVENUE STATEMENT 2021 / 22**

The Committee considered the report of the Director of Resources seeking Members' approval of the:

- Capital Strategy 2021 / 22 (attached as Appendix 1 to the report);
- Capital Project Bids (Appendix 2 to the report);
- minimum Revenue Provision (Appendix 3 to the report);
- the Investment Strategy (Appendix 4 to the report).

It was reported that the Capital Strategy had been prepared considering the future plans of the Council, ensuring that they were affordable and prudent. The Annual Investment Strategy had been updated in line with statutory requirements and good practice, having regard to the Council's financial position, wider strategies, plans and aims and the advice of the Council's external treasury advisor.

The Chairman detailed the work that the Finance Working Group had undertaken and thanked them for this. He then put the recommendation as set out in the report and this was duly seconded.

In response to a query the Director of Resources clarified that the Appendices to the report was the documentation that would be presented to the Council for consideration.

The Chairman, in response to a question, advised that Officers were looking at other revenue opportunities in relation to the parks area and the Finance Working Group would review these at the appropriate point.

The Commercial Manager reported that the two vehicles detailed in the Capital Projects bids were essential and advised how Officers had worked closely with the Finance Working Group to review and reduce capital monies being spent.

The Chairman moved the recommendations, and these were duly agreed by assent.

## **RECOMMENDED**

- (i) That the Capital Strategy (attached as Appendix 1 to the report) be approved;
- (ii) That the Capital Project Bids (attached as Appendix 2 to the report) be approved;
- (iii) That the Investment Strategy (attached as Appendix 3 to the report) be approved;
- (iv) That the Minimum Revenue Provision Statement (attached as Appendix 4 to the report) be approved.

## **219. REVISED 2020 - 21 ESTIMATES, ORIGINAL 2021 / 22 BUDGET ESTIMATES AND COUNCIL TAX 2021 - 22**

The Committee considered the report of the Director of Resources presenting:

- for noting, the Provisional Local Government Finance Settlement announced by the Government on 17 December 2020;
- the revised 2020 / 21 and original 2021 / 22 General Fund Revenue Budget estimate (attached as Appendices 1, 2 and 3 to the report);
- the proposed Council Tax increase for 2021 / 22 (attached as Appendix 1);
- the policy for the use of Reserves (attached as Appendix 4).

The report and associated appendices to the report outlined the following:

- the latest information on the provisional Local Government finance settlement 2021 / 22;
- revised General Fund revenue budget estimates 2020 / 21;
- original General Fund revenue budget estimates 2020 / 21;
- budget growth, savings and income generation in 2021 / 22;
- New Homes Bonus (NHB);
- Future Council model;
- Pension Fund deficit recovery;
- funding for work on Bradwell B (BRB) Power Station and Community Infrastructure Levy (CIL);
- Essex region business rates pool;
- an update on interest on investments;
- the Council Tax requirement for 2021 / 22;
- Council Tax £5 increase on 2020 / 21 Band D Basic amount;
- General Fund balance and revenue reserves;
- Medium Term Financial Strategy (MTFS);

- risks to the Council's financial position.

The Director of Resources reported that due to the unknown impact of future changes to Local Government finance, it was proposed that the Council should take the opportunity to increase its financial base by increasing the average band D Council Tax by £5, the maximum allowed for by the government before a referendum is required.

The Chairman put the recommendations as set out in the report. These were duly seconded.

In response to a query the Director of Resources advised that:

- the Essex Region Business Rates Pool was coordinated by Essex County Council and pooling was based on actuals which were not known until the end of each financial year.
- the Government had recently announced a further £1.5m to be allocated in respect of audit fees, although it was not yet known what proportion of this Maldon District Council would receive.

The Chairman moved the recommendations as set out in the report and these were duly agreed by assent.

## **RESOLVED**

- (i) That the main details of the Provisional Local Government Finance Settlement 2021 / 22 as set out in paragraph 3.4 of the report be noted;

## **RECOMMENDED**

- (ii) that the following be approved:
  - (a) the Revised 2020 / 21 and Original 2021/22 General Fund Revenue Budget Estimates (attached at Appendices 1 2 and 3 to the report);
  - (b) an average Band D council tax of £207.40 (excluding parish precepts) (£5 increase) for 2021/22 (attached at Appendix 1 to the report);
  - (c) policies on the designated use of financial reserves (attached at Appendix 3 to the report);
  - (d) maintain the current policy of a minimum general fund balance of £2,600,000;
- (iii) that the Council gives due regard to the Director of Resources' (Section 151 Officer) statement on the robustness of budgets and adequacy of reserves in attached at Appendix 5 to the report.

## **220. MEDIUM TERM FINANCIAL STRATEGY 2021 / 22 TO 2023 / 24**

The Committee considered the report of the Director of Resources presenting the revised Medium-Term Financial Strategy (MTFS) 2021 / 22 to 2023 / 24 (Appendix 1 to the report) to the Committee for recommendation to the Council.

It was noted how this MTFS built on the MTFS for 2020 / 21 to 2023 / 24 approved in February 2020 by the Council and subsequently updated in relation to the COVID-19 pandemic in July 2020.

Appendix 2 to the report set out the specific details of budget growth items identified as being required to meet service demand and carry out Council policy. Members were advised that these had been scrutinised by the Finance Working Group.

The COVID-19 pandemic had created a number of challenges for financial forecasting and in light of the fact that its impact would continue in future years a number of assumptions had been made and were set out in the report. The impact of this on the General Fund Balance was outlined in the report, however it was noted that there was a high level of uncertainty around these figures and ongoing government support which had not been factored in.

The Chairman put the recommendation as set out in the report, this was duly seconded and agreed by assent.

**RECOMMENDED** that the updated Medium-Term Financial Strategy for 2021 / 22 to 2023 / 24 (as at 28 January 2021) attached as Appendix 1 to the report.

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

The Committee considered the report of the Director of Resources presenting the annual review of the Financial Regulations (set out in Appendix 1 to the report) for approval by the Council.

Members noted that the Financial Regulations had been updated to reflect the new Committee structure and give clarification as to various responsibilities and roles.

The Chairman put the recommendation as set out in the report, this was duly seconded and agreed by assent.

**RECOMMENDED** that the revised Financial Regulations, attached at **APPENDIX 1** to these Minutes, be approved.

## **222. CONTRACT PROCEDURE RULES REVIEW AND UPDATE**

The Committee considered the report of the Director of Resources presenting the revised Contract Procedure Rules (CPR) (attached at Appendix 1 to the report) for approval by the Council. It was noted that the 2019 / 20 audit had identified recommendations and the revised CPR addressed some of these.

The report set out a number of proposed changes that had been made to the CPR along with the reasons behind them. It was noted that the revised CPR would support the current work being carried out to improve the efficiency and effectiveness of the Council's procurement processes.

The Chairman thanked the COVID-19 Reset and Recovery Working Group for their work and bringing the items forward to the Committee. He then put the recommendation as set out in the report and this was duly seconded.

In response to questions, the following information was provided by the Lead Specialist: Procurement:

- an update on the current procedure for tenders which would have previously required publication through the Official Journal of the European Union and it was noted that the Government were looking to simplify the process. Following Brexit no tenders were being sent to companies outside of the UK.
- a recent procurement policy note issued by the Cabinet Office which sought to put emphasis on Small Medium Enterprises, local businesses and reserving by area was currently being reviewed and discussed.

The Chairman moved the recommendations as set out in the report and these were duly agreed, by assent.

### **RECOMMENDED**

- (i) That the revised Contract Procedure Rules at **APPENDIX 2** to these Minutes are approved.
- (ii) That the Director of Resources is authorised to make minor changes to the Contract Procedure Rules; minor changes are defined as:
  - Changes in statutory framework, such as references to new or updated legislation;
  - Changes in titles, names or terminology;
  - Changes consequential to other constitutional changes already made.

## **223. COUNCIL TAX SUPPORT SCHEME 2021 / 22**

The Committee the report of the Director of Resources seeking Members' consideration of the Local Council Tax Support Scheme (LCTS) for 2021 / 22.

It was noted that the Scheme was significantly unchanged to support the delivery of a largely cost neutral LCTS within the proposed budget for 2021 / 22. Provision had been made to enable changes during the year and an Equality Impact Assessment had been carried out.

The Chairman put the recommendation as set out in the report, this was duly seconded and agreed by assent. The Chairman thanked the Group Manager - Customers and her team for their hard work.

**RECOMMENDED** that the following changes to the existing Local Council Tax Support Scheme (LCTS) be approved:

- a 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 2021 / 22 for Pensioners only;



- b that any legislative changes being introduced to the Housing Benefit Scheme, for 2021 / 22 are mirrored in the Councils LCTS scheme to ensure consistency;
- c that amendments to the discretionary provisions of the LCTS to ensure that the Council is able to administer the various schemes to reflect local and national guidance;
- d that the LCTS may reflect any additional changes to government welfare benefit regulations during the year which are intended to:
  - increase the income of benefit recipients; and
  - be introduced during a financial year to;to avoid any unintended consequences to customers.
- e that this decision has been made following Members careful reading of and regard to the Equality Impact Assessment attached at **APPENDIX 3** to the Minutes.

## **224. PAY POLICY STATEMENT**

The Committee considered the report of the Director of Resources presenting the Pay Policy Statement (attached as Appendix 1 to the report) for approval by the Council.

It was noted to meet the requirements of the Localism Act 2011 the Council was required to publish a Pay Policy Statement which had been annually approved by the elected Members of the Council. The Pay Policy Statement had been reviewed and reflected the current arrangements for pay at Maldon District Council.

The Chairman put the recommendation as set out in the report, this was duly seconded and agreed by assent.

**RECOMMENDED** that the Pay Policy Statement attached at **APPENDIX 4** to the Minutes be adopted for 2021.

## **225. INSURANCE TENDER**

The Committee considered the report of the Director of Resources seeking agreement of the Council to commence the tender process for the Council's insurance tender. It was noted that the current Long-Term Agreement (LTA) was due to end on 30 September 2021 and new contract would need to be in place to start on 1 October 2021.

In order to seek best value for money the Council's insurance tender should be tendered in lots and the details of these were set out in the report along with a draft timetable for the tender process. Members were advised that a broker had been engaged to facilitate the tender process to ensure that the Council could obtain the most competitive premium rates and ensure that cover was in place by 1 October 2021.

The Chairman put the recommendations as set out in the report and this was duly seconded.

Councillor Mrs P A Channer disclosed a non-pecuniary interest in this item of business as she had dealings with the Broker employed by the Council.

The Chairman moved the recommendations, and these were duly agreed, by assent.

### **RECOMMENDED**

- (i) that the tender process to ensure the Council has compliant insurance contracts in place by 1 October 2021 be commenced;
- (ii) that the insurance contract tender process be put in place for five years with an option to extend the process for a further two years Long Term Agreement.

## **226. CORPORATE PLAN UPDATE 2021 - 2025**

The Committee considered the report of the Director of Resources informing Members on the progress made to update the Maldon District Council Corporate Plan.

The report provided detailed information on the work undertaken to update the Council's Corporate plan, include the new proposed external facing outcomes. The importance of engaging with the public, businesses and staff was highlighted and it was therefore suggested that a Member Task and Finish Working Group be established to distil the feedback received and ensure that the Corporate Plan update adequately considered the input made.

The Chairman put the recommendations as set out in the report and this was duly seconded.

In response to questions, the Chairman highlighted how since the last update to the Corporate Plan in 2019 there had been increased engagement and should the Working Group feel more engagement was required this could be introduced. There was some concern that the expertise and skills of Members not part of this Committee could be beneficial to the Working Group.

The Chairman proposed that the Working Group be formed of six Members of the Committee, four Independents and two Conservatives. He nominated Independent Councillors K M H Lagan, R H Siddall, W Stamp and C Swain and Councillor Mrs P A Channer nominated Conservative Councillors M F L Durham and Miss S White. This was duly seconded.

Councillor M W Helm proposed that one Member of the Democratic Alliance Group be added to the Working Group. In response, the Chairman advised that the Committee would need to vote on the proposal on the table and if it failed then they would consider the proposal of Councillor Helm.

The Committee voted on the recommendations set out in the report and the proposed Working Group Membership. This was duly agreed.

### **RESOLVED**

- (i) that the progress made on developing the update to the Corporate Plan be noted;

- (ii) that a Corporate Plan Task and Finish Working Group be established to review and validate the updated Corporate Plan prior to its referral to the Council in March 2021;
- (iii) that the following Members of the Strategy and Resources Committee be appointed to serve on the Corporate Plan Task and Finish Group.
  - From the Independent Group:  
Councillors K M H Lagan, R H Siddall, W Stamp and C Swain.
  - From the Conservative Group:  
Councillors M F L Durham and Miss S White.

Councillor C Mayes joined the meeting during this item of business.

## **227. DONATION OF LAPTOPS FOR ESSEX CHILDREN**

Councillor Mrs P A Channer disclosed a non-pecuniary interest in this item of business as a Member of Essex County Council.

The Committee considered the report of the Director of Resources seeking approval for the donation of the Council's obsolete laptops to Essex County Council for use by children in Essex who did not have access to suitable devices for online learning.

The Chairman put the recommendation as set out in the report and this was duly seconded.

Councillor M L F Durham provided further information regarding this initiative set up by Essex County Council and advised that in addition to laptops, they were also accepting desktops which were broken down for spares and the funds raised used to purchase chrome books.

Councillor W Stamp proposed that the recommendation be amended to specify that the laptops / iPads provided by the Council went to benefit children from schools within the Maldon District. Following discussion the Chairman proposed that the recommendation be amended to add "...and the same number of equipment is donated to schools in the Maldon District". This amendment was duly seconded and this was duly agreed by assent.

**RESOLVED** that the Council's four remaining obsolete laptops and four iPads be donated to Essex County Council's laptop recycling scheme and the same number of equipment is donated to schools in the Maldon District.

## **228. EXCLUSION OF PUBLIC AND PRESS**

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

## **229. ADJOURNMENT OF THE MEETING**

**RESOLVED** by assent, that the meeting be adjourned at 20:08 for a short break.

## **230. RESUMPTION OF BUSINESS IN PRIVATE SESSION**

**RESOLVED** by assent, that the meeting of the Strategy and Resources Committee resumes at 20:13 in private session.

## **231. MILLFIELDS CARAVAN PARK, BURNHAM-ON-CROUCH**

The Committee considered the report of the Director of Service Delivery providing an update and seeking approval for a revised lease agreement for the Millfields Caravan Park in Burnham-on-Crouch.

The report, along with four appendices, set out background information regarding the development of the Millfields Caravan Park, tendering process completed in 2012, planning conditions applied and a summary of key issues. Detailed legal advice and analysis from the Council's Environmental Health Officer, was also set out in the report along with options for Members' consideration.

The Chairman moved the recommendations as set out in the report and this was duly seconded.

During the debate that ensued, some concerns were raised relating to the lease, its technical details and in response the Commercial Manager advised that further assessments could be carried out but this could impact the current lease agreement.

Councillor Miss S White proposed that the lease agreement not be revised, that deferment be considered pending an Environmental Impact Assessment (EIA). In response the Commercial Manager advised that an EIA had been carried out as part of planning conditions and discharged by the Council's Environmental Health Officers.

Further debate ensued and in response to questions, the Commercial Manager provided additional information to the Committee. During the debate it was suggested that the decision should be made by the Council. The Commercial Manager advised that the Committee had previously approved the award of a lease in respect of the Caravan Park.

The Chairman moved the recommendations to the Council. In accordance with Procedure Rule No. 13 (3) Councillor K M H Lagan requested a recorded vote.

In response to a request to amend the recommendation the Chairman advised that the Committee would vote on the recommendations and should they fail then further options could be considered.

A recorded vote on the recommendations as set out in the report was then taken and the results were as follows:

For the recommendation:

Councillors Mrs P A Channer, M F L Durham, M W Helm, R H Siddall and Mrs M E Thompson.

Against the recommendation:

Councillors M R Edwards, K M H Lagan, W Stamp, Mrs J Stilts, C Swain and Miss S White.

Abstention:

There were none.

The motion was declared lost.

Members discussed deferral of the decision pending further information and during the discussion the Director of Resources explained that Members needed to be clear if agreeing to defer the application what additional information was required.

The Chairman proposed that revision of the lease agreement for Millfields Caravan Park be deferred to the Council with further information provided on the lease and site contamination. Following further discussion the Chairman amended his proposal to refer to additional information including details of the arrangements of the lease, land contamination and the original planning application. This proposal was duly seconded and agreed by assent.

**RESOLVED** that revision of the lease agreement for the Millfields Caravan Park, Burnham-on-Crouch be deferred to the Council for determination subject to additional information, including details of the lease arrangements, land contamination and original planning application.

The meeting closed at 8.55 pm.

R H SIDDALL  
CHAIRMAN

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# MALDON DISTRICT COUNCIL

## *Financial Regulations and Financial Procedures*

*Updated ~~July~~February 201920*

[illegible]



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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 Directors, and the ~~Council's Statutory~~Monitoring Officers. Directors should maintain a written record where decision making under the regulations 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 under the regulations may also be delegated, and again any such authorisations~~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 ~~Strategy and Resources~~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 ~~a Constitution and associated~~ the corporate governance arrangements (~~including Council and Committee Procedure Rules and Committee 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 ~~Strategy and Resources~~~~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 ~~Strategy and Resources~~~~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 Joint 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 Council will appoint one of its Directors or senior Officers to the following statutory roles: He/she 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 Head of Paid Service is also responsible, together with the Monitoring Officer (see 4.2 below), for the system of record keeping in relation to all the Council's decisions.~~

- ~~• Head of Paid Service – responsible for the co-ordination of the operational activity involved in delivering the Council's services and functions, including the appointment and management of staff.~~
- ~~• Section 151 Officer or Chief Finance Officer – responsible for the proper administration of the Council's financial affairs.~~
- ~~• Monitoring Officer – reports to the Council on cases of maladministration, the conduct of councillors and officers, and responsible for the review and updating of the Constitution (including the provision of advice and interpretation).~~

~~Further information on these roles is contained within the Council's constitution although of particular relevance to these Regulations are the following statutory provisions:~~

4.1.2 ~~The Director of Strategy, Performance and Governance 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 Section 151 Officer (see below)) 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.~~

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

~~4.23.1 The Officer appointed by the Appointments Board as the Section 151 Officer~~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.

~~4.23.2 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.

~~4.23.3 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 seek approval on any matter liable to affect the Council's finances, before any commitments are incurred.
- 5.4 The Director of Strategy, Performance and Governance is responsible for keeping the Council's corporate governance arrangements up to date.

### 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 Strategy and Resources~~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 Council's 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~~ S151 Officer and/or Monitoring Officer, 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 Director of Strategy, Performance and Governance 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 Strategy and Resources~~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 Strategy and Resources~~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 Strategy and Resources~~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 Strategy and Resources~~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 Strategy and Resources~~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 Strategy and Resources~~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 Performance, Governance and Audit Committee is responsible for approving the Council's Risk Management Policy and 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 Strategy, Performance and ~~Resources~~ Governance 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 Directors ~~of Resources~~ are 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 ~~Strategy, Performance and Governance~~ Resources, is responsible for the development and maintenance of an Anti-Fraud and Anti-Corruption Policy.

## 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 ~~Strategy and Resources~~~~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 Head of Paid Service is responsible for providing overall management to staff. ~~Directors will be~~~~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 internal authorisation has been established within their area and that it is operating effectively. The scheme of delegation, or a system of internal recording, 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 Strategy and Resources 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 CProgramme~~ committees are responsible for approving ~~delegations, including~~ frameworks for partnerships. The ~~CProgramme~~ committees are the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.

- 2.2 ~~While Committees can seek to The Programme committees can~~ delegate functions, including those relating to partnerships, to officers, any proposals to alter the Committee Terms of Reference and the Scheme of Delegation must be considered by the Performance, Governance and Audit Committee under. 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 ~~CProgramme~~ 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 Performance, Governance and Audit ~~Finance & Corporate Services and/or Overview & Scrutiny~~ Committees.

#### A.1.3 Responsibilities of the ~~Director of Resources~~ Section 151 Officer

- 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 Section 151 Officer ~~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 Strategy and Resources ~~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 ~~Strategy and Resources~~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 ~~Strategy and Resources~~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 ~~Strategy and Resources~~Finance & Corporate Services Committee. The authorisation limits are set out in **Appendix F**.

- 2.4.2 Amounts that require the approval of the ~~Strategy and Resources~~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.~~54~~54 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 ~~Strategy and Resources will~~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 ~~that Committee~~Finance & Corporate Services Committee.

- 2.4.~~65~~65 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 Performance, Governance and 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 Officer appointed by the Appointments Board as ~~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 Directors**

- 1.43.1 To contribute to the development of performance plans in line with statutory requirements.
- 1.43.2 To contribute to the development of corporate and service targets and objectives and performance information.
- 1.43.3 To ensure that systems are in place to measure activity and collect accurate information for use as performance indicators.
- 1.43.4 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 ~~Strategy and Resources~~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 ~~the Strategy and Resources Committee~~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 the Strategy and Resources~~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 Strategy and Resources~~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 Strategy and Resources~~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 Strategy and Resources~~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 Strategy and Resources~~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 Strategy and Resources~~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 Strategy and Resources~~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 Strategy and Resources~~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 Strategy and Resources~~Programme committees~~ Committee, 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 Strategy and Resources~~Programme e~~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 Strategy and Resources~~Finance & Corporate Services~~ Committee.

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

- 3.3.1 To advise the Strategy and Resources~~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 Strategy, Performance and Governance**

- 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 Strategy, Performance and Governance ~~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 e~~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 Performance, Governance and 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 Strategy and Resources~~Finance & Corporate Services~~ Committee and the Performance, Governance and Audit Committee.
- 3.3.2 To approve the annual audit plans, prepared by the Audit Manager, and present to the Performance, Governance and Audit Committee for their approval.
- 3.3.3 To prepare terms of reference for the internal audit function, for approval by the Performance, Governance and 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 and the Monitoring Officer 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 Joint 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 Strategy Performance and Governance.**

- 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 adequate and effective internal control arrangements.
- 4.4.3 To ensure that all suspected irregularities are investigated, and all proven irregularities reported to the Monitoring Officer and S151 Officer.

### **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, to ensure that the Police are called in.

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

- 4.6.1 To maintain a register of Member 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 Land Charges/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~~ kept secure on by 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 Strategy and Resources~~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 ~~Strategy and Resources~~~~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 ~~Strategy and Resources~~~~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 Land Charges/relevant responsible Officer~~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~~Lead Specialist ICT 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 ~~Strategy and Resources~~~~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 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 ~~C~~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 ~~Strategy and Resources~~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 ~~Strategy and Resources~~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 ~~Strategy and Resources~~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 ARRANGEMENTS**

**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 ~~C~~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 Strategy and Resources~~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 Chairman of the Strategy and Resources Committee~~relevant Programme committee Chairman;~~ and reported to the next Strategy and Resources~~Finance & Corporate Services~~ Committee meeting;
- (iii) Over **£50,000** - the Finance & Corporate Services Committee.

(c) Supplementary Estimates

- (i) Up to **£20,000** – Director and Director of Resources in consultation with the Chairman of the Strategy and Resources~~Finance & Corporate Services~~ Committee and the Leader and reported to the next Strategy and Resources~~Finance & Corporate Services~~ Committee;
- (ii) Over **£20,000** – the Strategy and Resources~~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 Strategy and Resources~~Programme~~ Ceommittee (Appendix B paragraph 2.19.8).

- 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 ~~Strategy and Resources~~~~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 ~~Strategy and Resources~~~~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 ~~Strategy and Resources~~~~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. Cheques are only to be issued in emergencies and will be from the contingency cheque book.
- G.2. Cheques above £10,000 shall be countersigned by the Director of Resources or, in his/her absence, the Director of Service Delivery or the Director of Strategy Performance and Governance.
- G.3. Amendments to cheques can be countersigned by the above and additionally the Resources Specialist 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) Director of Service Delivery
  - c) Director of Strategy Performance and Governance
- 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 electronic signatures; and submission by an authorised card holder authentication. Responsibility for the delegation of authorisation below Director level and limits applicable is set by the Director of Resources.

## **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</i>

\* Note requirement for written contracts above £50,000 – See Section 165.2 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

## I. AUTHORISATIONS~~DELEGATIONS~~

### I.1.1 Introduction

1.1.1. The Status of financial regulations section (Section one in this document) refer to Directors and Officers ~~authorising others to exercise~~~~delegating~~ their responsibilities ~~under~~~~per~~ these financial regulations. ~~Authorisation~~~~Delegation~~ should be given in writing, however there are instances where this isn't necessary or not possible due to sickness/leave. These delegations are only applicable where decisions/actions are required urgently and the relevant officer is not available and written ~~authorisa~~~~delega~~tion has not been made as not known required.

~~1.1.2. There are statutory delegations for statutory posts, t~~The Monitoring Officer and Returning Officer ~~are able to appoint lawful Deputies who are able to act in the full capacity without separate authorisation unless the terms of their appointment state otherwise, who have a~~ Deputies. ~~Written delegation is not required for these posts to act in the full capacity.~~

~~1.1.2.1.1.3.~~ The Council's Constitution provides that any power or function delegated to a Director may, if that Director or any other Officer authorised by that Director is absent and unable to act, be exercised by another Director should the need arise.

~~1.1.3. Other Officer delegations:-~~

<del>Officer</del>	<del>Delegation given to:</del>
<del>Service Director</del>	<del>Another Service Director</del>
<del>Group Manager</del>	<del>Service Director</del>

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# **MALDON DISTRICT COUNCIL**

## ***Contract Procedure Rules***

Approved by Council XXX

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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.

The Director of Resources may make minor changes to these Contract Procedure Rules.

Minor changes are defined as:

- Changes in statutory framework, such as references to new or updated legislation
- Changes in titles, names or terminology
- Changes consequential to other constitutional changes already made.

For the purposes of these rules, where there is a requirement for communication to be in writing, this should be carried out electronically via email or the Councils e-tendering solution where required. ~~y~~ all 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.

**Commented [D1]:** Time scales should be proportionate to the contract value

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 Monitoring Officer.

## SECTION 1: SCOPE OF CONTRACT PROCEDURE RULES

### 1. BASIC PRINCIPLES

All purchasing and disposal procedures must:

- Ensure value for money and propriety in spending of public money; be consistent with the highest standards of integrity
- 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-Commercial considerations other than those permitted by law.
- Comply with the Council's Procurement Strategy.
- Support the council's corporate and departmental objectives, plan and policies

### 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 [Procurement](#), 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~~15.3)
- 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 unless in extreme cases of urgency and with Legal advice, 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 Strategy and Resources 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 Strategy and Resources Finance & Corporate Services Committee.
- 3.5 The Lead Specialist Procurement Director of Resources must be consulted prior to commencing any procurement process using Crown Commercial Services Office of Government Commerce (OGC) Buying Solutions Contracts. The terms and conditions of contract applicable to any CCS 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 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
  - Legal 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).
- Contracts for retention of legal Counsel, or the appointment of expert witnesses in legal proceedings.

#### ~~CONTRACT VALUE CALCULATION~~ 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~~ 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~~ Extensions and Variation

- Contracts may only be extended or varied if all of the following conditions have been met
- ~~the~~ 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](#)

[The Council does not generally agree the use of Approved Lists. Where the use of an approved list may be required, a full business case and Director Level approval must be obtained.](#)

### 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* over the term of the contract including any extensions.

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 Lead Specialist Procurement 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. Sign off to award Short-listing shall be done by the persons specified in the third column.

<u>Total Value</u>	<u>Award Procedure</u>	<u>(Shortlisting) This should be Sign off to award</u>
<u>Up to £5,000</u>	<u>At least one and preferably up to three Quotations. (confirmed in writing where the Total Value exceeds £500)</u>	<u>Officer</u>
<u>£5,001 to £50,000</u>	<u>The Receipt of minimum three written Quotations</u>	<u>Officer and Line Manager</u>
<u>£50,001 to EU Threshold</u>	<u>Engage Procurement and obtain at least three tenders following advertisement by public notice on the Councils e-tendering solution</u>	<u>Officer and Line Manager</u>
<u>Above EU Threshold</u>	<u>Engage Procurement as EU Rules apply – full competitive process with tenders following OJEU advertisement on the councils e-tendering solution</u>	<u>Line Manager/T2 Manager Director ??</u>

<u>Total Value</u>	<u>Award Procedure</u>	<u>Short listing</u>
<u>Up to £5,000</u>	<u>At least one and preferably up to three Quotations. (confirmed in writing where the Total Value exceeds £500)</u>	<u>Officer</u>
<u>£5,001 to £24,999</u>	<u>The Receipt of three written Quotations (this requirement may be waived with the written consent of the Director of Resources in</u>	<u>Officer and Line Manager</u>

~~consultation with the Chairman of the Finance & Corporate Services Committee).~~

<del>£25,000 to £50,000</del>	<del>Quotations sought by advertisement on Contracts Finder</del>	<del>Officer and Line Manager</del>
<del>£50,001 to EU Threshold</del>	<del>Invitation to Tender by advertisement on Contracts Finder</del>	<del>Officer, Line Manager and Director</del>
<del>Above EU Threshold</del>	<del>EU Procedure or, where this does not apply, Invitation to Tender by advertisement on Contracts Finder</del>	<del>Consult the Essex Procurement Hub Lead Specialist Procurement – see Rule 8.1.4</del>

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 Lead Specialist Procurement](#) ~~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 ~~The Director of Resources has the discretion to agree other methods for disposal of Assets up to a value of £5,000 in consultation with the relevant Director.~~

8.2.2.3 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 [Lead Specialist Procurement –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~~[selected](#), and commissions awarded in accordance with the procedures detailed within these contract procedure rules and as outlined below.

[8.5.2 The responsible officer must produce suitable Terms of Reference \(ToRs\) setting out the scope of the assignment/study. This should be used to invite proposals from the Consultant\[s\]](#)

[8.5.3 The Responsible Officer must be satisfied that the fees and charges are reasonable and that appropriate procedures have been followed having regard to the type of work, prevailing market conditions and the particular knowledge or expertise of the consultant.](#)

~~8.5.4 The relevant Director sign off up to a value of £10k thereafter the Regulations should be followed and be in line with the Councils relevant thresholds.~~

[8.5.46 All consultants used must have:](#)

- [performed satisfactory work of a similar nature within the previous two years, or provided satisfactory evidence of relevant work carried out for other similar organisations within the last three years;](#)
- [relevant specialist knowledge and experience which is likely to be of value to Maldon;](#)
- [Hold professional indemnity of a sufficient level to protect the Councils interest](#)

~~8.5.57~~ [Records of consultancy appointments shall be maintained in accordance with Rule 6](#)

Total Value	Award Procedure	Short listing
Up to £5,000	At least one and preferably up to three <del>Quotations</del> (confirmed in writing where the <i>Total Value</i> exceeds £500)	<del>Officer</del>
£5,001 to £24,999	The receipt of three written <del>Quotations</del> (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).	<del>Officer and Line Manager</del>
£25,000 to £50,000	<del>Quotations</del> sought by advertisement on Contracts Finder	<del>Officer and Line Manager</del>

<del>£50,001 to EU Threshold</del>	<del>Invitation to Tender by advertisement on Contracts Finder</del>	<del>—Officer, Line Manager and Director</del>
<del>Above EU Threshold</del>	<del>EU Procedure or, where this does not apply, Invitation to Tender by advertisement on Contracts Finder</del>	<del>Consult the Essex Procurement HubLead Specialist Procurement —see Rule 8.1.4</del>

~~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 HubLead Specialist Procurement](#).

## 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 [award criteria must take into account 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.
- [Savings over the life of the contract](#)
- [Sustainable Procurement](#)



- [Social Value](#)
- [The subject matter of the contract](#)
- 

~~If the last criterion is adopted, it must be further defined by reference to sub-criteria which may refer only to relevant considerations.~~

~~These Relevant considerations to the contract should also 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 Officer responsible must ensure they have the budget and appropriate approvals in place to commence the purchase. Where the value of the contract exceeds £50,000 then a tender process must be followed using the Councils nominated e-tendering portal. Guidance should be sought from the Lead Specialist Procurement as to the correct process to follow. All spend over £5000 is subject to the Transparency Agenda.~~

~~11.2 Where legally permissible the Council shall ensure that for purchases of a value of up to £50,000 that at least one SME/Local supplier is invited to quote or tender for suitable and relevant contracts. All documents and communications should be kept and where the lowest price is not accepted this must be recorded.~~

~~11.3 Once approval to proceed has been obtained by the necessary delegated authority (Request for Quote procedure note) the process should include the following:~~

- ~~Details of the requirement must be completed on an RFQ template and include a specification of requirement.~~
- ~~Identify potential suppliers, (a minimum of 3 must be invited to quote) set a deadline for return of quotes, evaluate all returns, and select supplier.~~
- ~~Document the reasons for your choice and gain approval to award (see 8.1.1)~~
- ~~Once all suppliers have been notified of the outcome, all documentation/evidence and approval to award must be recorded and updated on the contracts register.~~
- ~~Manage the contract in line with the Contract Management guidance~~

11.4 Where Contracts are of a type and value which means that they are subject to the EU Rules then there are five main types of EU procedures available. These are the Open and Restricted the Competitive Dialogue, Competitive Procedure with Negotiation and the Innovative Partnership. In the vast majority of cases the Open and Restricted procedures will be chosen the other procedures are generally used for more complex contracts.

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.

**11.52 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) All tender submissions should be via the Councils e-tendering solution. 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. Preforma *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.

11.63 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 156).

11.7.4 The *Invitation to Tender* or *Quotation* must state that the council is not bound to accept any *Quotation* or *Tender*.

~~11.85~~ 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.~~

~~11.96~~ All tendering procedures including obtaining quotes from planning to contract award and signature, shall be undertaken in a manner so as to ensure that the following is secured

- ~~(a) Sufficient time is given to plan and run the process~~
- ~~(b) Equal opportunity and equal treatment~~
- ~~(c) Openness and transparency~~
- ~~(d) Probity~~
- ~~(e) Outcomes which deliver sustainability, efficiency and cost savings (where appropriate).~~

~~11.107~~ Public Services Social Value Act (2012)

~~The Council has a legislative duty to consider the social, economic and environmental benefits of the service being delivered at the pre-procurement stage by way of:~~

- ~~• How what is being procurement might improve the economic, social and environmental well-being of the Councils area and;~~
- ~~• How in conducting the process of procurement, it might act with a view to securing that improvement~~
- ~~• Prior to commencing a tender process guidance should be sort from Procurement with regard to Social Value requirements.~~

## ~~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.~~

## ~~123.~~ **SUBMISSION, RECEIPT AND OPENING OF TENDERS/QUOTATIONS**

~~123.1 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).~~

~~123.2 All Tenders must be returned via the Council's e-tendering solution to the Director of Resources.~~

~~123.3~~ *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~~ *All tender submissions will remain locked until the designated return date and time the Councils e tendering solution.*

~~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.*

#### **1344- CLARIFICATION PROCEDURES AND POST-TENDER NEGOTIATION**

~~1344.1~~ 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.

~~1344.2~~ *Post Tender negotiations within an EU Procedure can only be carried out where the correct procedure has been used and advertised with guidance from Lead Specialist Procurement and where necessary with Legal advice. 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.~~

- ~~14.4.13.3~~ Where post-tender negotiation results in a fundamental change to the specification (or contract terms) the contract must not be awarded but re-tendered.

## **~~14.4.14~~ EVALUATION, AWARD OF CONTRACT, & DEBRIEFING CANDIDATES**

- ~~14.4.14.1~~ 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*.
- ~~14.4.14.2~~ 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.
- ~~14.4.14.3~~ 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.
- ~~14.4.14.4~~ *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.
- ~~14.4.14.5~~ 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. Only useful feedback needs to be provided. A 10-day standstill period shall not apply.
- ~~14.4.14.6~~ ~~The Officer shall~~ For all tenders over the EU threshold a full debrief in writing must be given to all those *Candidates* who submitted a bid about the characteristics and relative advantages of the leading bidder. The debrief should form part of the notification of award letter which commences the 10 day standstill period. No information, other than the following, should be given without taking the advice of the Solicitor:

The notification of award should contain:

- 1 How the *Award Criteria* were applied
- ~~2. The prices or range of prices submitted, in either case not correlated to The~~ prices or range of prices submitted (in percentage analysis form), in either case not correlated to Candidates' names (anonymised) apart from the winning Candidate.
3. Proposed Winning Candidates' name[s]

Date the 10-day standstill period ends

~~4. The names of Candidates where there were three or more Candidates.~~

~~1514.7~~ 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 should also be sent to *Candidates* who were deselected in a pre-tender *Shortlisting* process and not advised unsuccessful at that time.

## SECTION 4: CONTRACT AND OTHER FORMALITIES

### ~~46~~15. CONTRACT DOCUMENTS

#### ~~46~~15.1 Relevant Contracts

1615.1.1 ~~46.1.1~~ All *Relevant Contracts* that exceed £50,000 shall be in writing.

~~15.1.2~~ 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.

~~156.1.3~~ The council's order form (electronic order system) or standard terms and conditions issued by a relevant professional body must be used wherever possible.

~~156.1.4~~ 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 [Act 2018 \(General Data Protection Regulation \(GDPR\)\)](#) 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.

~~156.1.5~~ The formal advice of the [Lead Specialist Procurement and where necessary 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.

## 156.2 Contract Formalities

156.2.1 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)

156.2.2 All contracts must be concluded in writing or by email before the supply, service or construction work begins.

156.2.3 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.

156.2.4 All contract documents must be placed in the central repository in accordance with *Financial Regulations*.

## 156.3 Sealing

156.3.1 Where contracts are completed by each side adding their formal seal, such contracts shall be signed in accordance with the Council's ~~Constitution~~Standing Orders (Chief Executive or Deputy and a Member).

156.3.2 Every ~~C~~ouncil sealing will be consecutively numbered, recorded and signed by the person witnessing the seal.

15.3.3A 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.



**16. BONDS AND PARENT COMPANY GUARANTEES**

16.1 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*.

16.2 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*.

**17. PREVENTION OF CORRUPTION**

17.1 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.

17.2 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."*

**18. DECLARATION OF INTERESTS**

18.1 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 as described in the Code of Conduct has been or is proposed to be entered into by the Council, he or she shall immediately give written notice to the Monitoring Officer~~Chief Executive~~. The Monitoring Officer~~Chief Executive~~ shall report such declarations to the appropriate Committee.

~~189.2~~ 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.

~~189.3~~ 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~~ ~~18.2~~ The Monitoring Officer shall maintain a record of all declarations of interests notified by members and Officers.

~~18.3~~ The Director of Strategy, Performance and Governance ~~Chief Executive~~ shall ensure that the attention of all members is drawn to the Council's ~~Local~~ ~~National~~ Code of ~~Local~~ ~~Government~~ Conduct when taking office.

## SECTION 5: CONTRACT MANAGEMENT

### ~~20.19~~ MANAGING CONTRACTS

~~2019.1~~ 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.

~~2019.2~~ Contract Managers must follow the procedures set out in the council's *Purchasing Guidance*.

### ~~21.20~~. RISK ASSESSMENT AND CONTINGENCY PLANNING

~~21.1~~ ~~20.1~~ 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 ~~20.2~~ 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.

### ~~22.21~~. CONTRACT MONITORING, EVALUATION AND REVIEW

~~2221.1~~ 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*.

~~2221.2~~ 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.

~~2221.3~~ The Council's approved *project management methodology* must be applied to all contracts deemed to be *High Risk*, *High Value*, or *High Profile*.

- | 2221.4 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.
- | 2221.5 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>	<del>The Council's Head of Paid Service has defined in the Constitution.</del>
<b>Chief Finance Officer</b>	The Officer Designated Chief Finance Officer (Section 151 Officer) by the Council.
<b>Code of Conduct</b>	The <u>respective eCodes</u> regulating <u>the</u> conduct of <u>Members and Officers</u> <del>issued by the Chief Executive.</del>
<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>	<del>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.</del>
<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>	<del>The Council's Chief Executive.</del>
<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>	<del>Part of the Council's Constitution called Council and Committee Procedure Rules on specifying rules for how business shall be conducted at meetings.</del>
<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>	The whole of the value or estimated value (in money or equivalent value) for a single purchase or disposal calculated as follows: <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>

**Commented [D2]:** Maldon calls them Contract Procedure Rules not standing orders they are the same thing



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.

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## 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 2021 / 22	<b>Date</b> January 2021	<b>Officer Preparing</b> Sue Green
<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><i>There are no proposals to change the current scheme, other than to mirror national scheme changes.</i></b></p>		
<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 3512 Council Tax Support Claimants</p>		
<b>1.3 Have users been consulted with?</b> (Have you carried out consultation with users or stakeholders while drawing up the proposal / policy / service? For example,		

**Maldon District Council Equality Analysis**

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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.)

There are no changes proposed to existing policy.

**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 good performing team that historically has met locally set performance targets. For the current financial year (2020-21) the team is striving to meet those targets, but as a result of high demands from the impact of the pandemic coupled with the impact of organisational change and resource challenges those targets are likely to remain a challenge,

The service is making good progress, and ensures that claims are prioritised to reduce impact on our most vulnerable customers.

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## Maldon District Council Equality Analysis

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### 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.

<b>2.3 To foster good relations between those who share a protected characteristic and those who do not</b>	<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>				
<b>3. Equality Impacts – examine how the proposal / policy / service impacts on the community. Base the analysis on evidence. Attach additional documents if necessary.</b>					
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>3.1 Age</b> (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	
<b>3.1 Age</b> (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"/>	Due to the protection afforded to those of pensionable age, customers of working age are impacted directly by any changes to the scheme.  People over 18 of working age will potentially be required to pay more.	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.  The Council will continue to provide information and advice on income maximisation and a contracted Independent Advice Service to support residents
<b>3.2 Disability</b> (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.	Higher Rate Disability Benefits continue to be disregarded (i.e. Disability Living Allowance) thereby protecting those with specific long term conditions.  A hardship fund exists to ensure

# **Maldon District Council Equality Analysis**

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					provision for those residents who have exceptional circumstances.
<b>Impacts</b>	<b>Positive impact (X)</b>	<b>Could adversely impact (X)</b>	<b>No impact (X)</b>	<b>How different groups could be affected: Summary of impacts</b>	<b>Actions to reduce negative or increase positive impact</b>
3.3 Pregnancy and Maternity (Think about pregnancy, new and breastfeeding Mums)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
3.4 Sex (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"/>	CTS is means tested and therefore gender is not a factor in the calculation of support.	
<b>Impacts</b>	<b>Positive impact (X)</b>	<b>Could adversely impact (X)</b>	<b>No impact (X)</b>	<b>How different groups could be affected: Summary of impacts</b>	<b>Actions to reduce negative or increase positive impact</b>
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	<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.	

### Maldon District Council Equality Analysis

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Travellers)					
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.	A hardship fund exists to ensure provision for those residents who have exceptional circumstances.
<p><b>4. Is there a Cumulative Impact?</b> (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.)</p> <p>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.</p> <p>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.</p>					
<b>5. Outcome</b>					
<p><b>5.1 Consider all the analysis and evidence above and indicate</b></p> <p>(1) No change needed <input checked="" type="checkbox"/> (2) Adjust <input type="checkbox"/> (3) Adverse impact but continue <input type="checkbox"/> (4) Stop, remove the proposal / policy / service <input type="checkbox"/></p>					
<p><b>5.2 Adjustments</b></p> <p>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).</p>					
<p><b>5.3 Decision Making</b> (How will this equality analysis be taken into account during the decision making process? For example will it be included with a report to</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.

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

- Strategy and Resources Committee on 28 January 2021
- Full Council on 23 February 2021

#### 6.0 Next Steps

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?

Not applicable

6.2 Summary of actions highlighted within this analysis (Include how this will be picked up within service/work plans)

None

6.3 Arrangements for future monitoring of equality impact of this proposal / policy / service

To be reviewed at least annually, or where relevant changes occur which may have an impact.

6.4 Approved by (Manager or Head of Service signature and date)

Sue Green (Customer, Community and Casework Manager)

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## Document Control Sheet

<b>Document title</b>	Pay Policy Statement
<b>Summary of purpose</b>	Compliance with Localism Act
<b>Prepared by</b>	Senior Specialist- HR
<b>Status</b>	Final
<b>Version number</b>	9 November 2020
<b>Approved by</b>	
<b>Approval date</b>	
<b>Date of implementation</b>	Immediate
<b>Review frequency</b>	Annual (or as necessary before then)
<b>Next review date</b>	November 2021
<b>Circulation</b>	
<b>Published on the Council's website</b>	Yes

**Validity Statement**

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



MALDON DISTRICT  
COUNCIL

## Pay Policy Statement

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

### 1. General policy

- 1.1 During 2018 the Council initiated a transformation programme. As part of this a Council wide Job Evaluation exercise was carried out on all posts based on a uniform set of criteria and placing all roles within a single unified pay scale. The pay scale was benchmarked and designed to be consistent with best practice. In accordance with the Council's constitution, the remuneration of the Director posts are set by the Appointments Committee made up of elected Members of the authority and based upon the above principles.
- 1.2 The Job Evaluation process was designed to achieve compliance with Equal Pay legislation and to standardise the contractual terms and conditions of staff. Remuneration of all Council employees is now governed by a single set of policies and procedures.
- 1.3 The Pay Multiple is the ratio between the highest taxable earnings and the median earnings figure for the whole authority in accordance with the Transparency Code 2014. For Maldon for 2020.21 the ratio between the Director salary and the median of all staff is 3.66. The Government has considered setting twenty to one as a maximum. As Maldon District's Council's rate is currently below this amount it is not considered necessary to have a specific policy concerning the pay multiple. If the multiple starts to rise, for example above five to one, this could be reconsidered.

### 2. Policy regarding pay to "Chief Officers"

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

- 2.1.1 The term "Chief Officer" as employed in the Localism Act has a different meaning to the use made of it at Maldon District Council. For the purposes of this Pay Policy Statement only, the relevant posts are considered to be as listed below. To note; there is no Chief Executive post in the Maldon structure.

- The three Director posts
- The Monitoring Officer

#### 2.2 Pay

- 2.2.1 Pay for the post of Directors is set by the Appointments Committee and approved by the Council. The role of Director was introduced following the 2014 Senior Management Review and pay set by the Job Evaluation process in 2018. The pay line of Directors is subject to the same factors as the rest of staff pay, for example any annual pay award granted.

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

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

### 2.3 Performance related pay and bonuses

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

### 2.4 Fees, allowances, benefits in kind and expenses

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

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

### 2.5 Pension

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

### 2.6 Severance payments

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

2.6.2 Should a staff member be made redundant the post holder would receive redundancy payments in accordance with the Council's Managing Organisational Change policy and the Public Sector Exit Payment Cap legislation introduced in 2020. This restricts exit payments to 95K including any pension strain. The Council's policy is not to award any additional compensatory payments to staff.

2.6.3 Should a staff member leave as a result of a settlement agreement these, by their nature, are subject to negotiation with the individual and their representatives and so are variable in their terms. Such agreements are formal legal arrangements and confidentiality binding on both parties is a key component, so any payment arising from such an agreement would not be published. Authorisation of the payment would be in accordance with the Council's terms of reference and scheme of delegation and it would need to represent value for money for the taxpayer in the circumstances.

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

## 2.7 Recruitment of senior staff

2.7.1 When recruiting to a senior post the salary offered would be that applicable to the grade of the post, as determined by Job Evaluation, and within the established pay line. No additional payments would arise, unless a market supplement to enable recruitment was considered justified due to a recognised technical skill shortage in the job market.

2.7.2 In the event that a senior post was to be filled by a person who had retired from another Authority and was in receipt of a pension it would be arranged so that the person was not better off overall, through abatement of pension and/or pay as applicable.

2.7.3 In accordance with the guidance set out in the Localism Act, The Strategy and Resources Committee should be given the opportunity to vote before large salary packages (£100k or above) are offered in respect of a new appointment.

## 2.8 Monitoring Officer

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

## 2.9 Publication of remuneration of senior staff

2.9.1 This Pay Policy Statement, once approved by the Council, will be published on the Council's website.

2.9.2 The remuneration and pension contributions of the Directors are published annually in the Financial Statements of the Authority, along with the numbers of employees whose remuneration and pension contributions are £50,000 and over. A copy of the Financial Statement is placed on the Council's website.

### **\*3. Lowest paid staff and Real Living Wage**

#### **3.1 Definition**

- 3.1.1 Maldon District Council are committed to paying the Real Living Wage currently this is £9.50 per hour. Staff in Pay Bands A and B, spinal points 1 to 8 are paid the real living wage rate which is currently £9.50 per hour from 9<sup>th</sup> November 2020 or £18,327.21 per annum for full time equivalent earnings.

#### **3.2 Pay Policy in respect of lowest paid staff**

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

The Council employs Apprentices but these are not included within the definition of 'lowest paid employees' and are not subject to the living wage rate as they are paid the legal pay rate for Apprentices.

#### **3.3 Pay Award**

- 3.3.1 The National Joint Council (NJC) negotiates pay on behalf of Local Government and Maldon District Council are committed to paying its employees the nationally agreed pay award each year. The award for 2020.21 was 2.75%.
- 3.3.2 Employees who have left the Council's employment prior to their pay award being implemented may submit a written request for payment of monies owing to them.

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## **REPORT of DIRECTOR OF RESOURCES**

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**to  
COUNCIL (EXTRAORDINARY)  
23 FEBRUARY 2021**

### **CAPITAL AND INVESTMENT STRATEGIES FOR 2021 / 22 AND MINIMUM REVERSE STATEMENT 2021 / 22**

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

- 1.1 The Council is required to approve an annual Capital Strategy and Investment Strategy before the start of the financial year to which they relate.

#### **2. RECOMMENDATIONS**

The Council approves this report for 2021 / 22 and the attached appendices as recommended by the Strategy and Resources Committee on 28 January 2021:

- (i) the Capital Strategy (**APPENDIX 1**),
- (ii) the Capital Project Bids (**APPENDIX 2**),
- (iii) Investment Strategy (**APPENDIX 3**), and
- (iv) Minimum Revenue Provision Statement (**APPENDIX 4**).

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

- 3.1 This report details the intended capital expenditure plans and funding arrangements and sets Prudential Indicators against which actual expenditure and borrowing should be monitored. The Capital Strategy for 2021 / 22 is at **APPENDIX 1**.
- 3.2 The Capital Project Bids is at **APPENDIX 2** as recommended by the Finance Working Group.
- 3.3 The Investment Strategy is at **APPENDIX 3**.
- 3.4 The Minimum Revenue Provision is at **APPENDIX 4**.
- 3.5 The Strategies have been compiled with the advice and support of the Council's treasury advisor, Arlingclose Ltd, with the latest available 'outlooks' and interest rate forecasts at the time the strategies were drafted in December 2020.

#### **4. CONCLUSION**

- 4.1 The Capital Strategy has been prepared considering the future plans of the Council, ensuring that they are affordable and prudent. It links with the Council's Investment Strategy.
- 4.2 The Annual Investment Strategy has been updated in line with statutory requirements and good practice. It takes into account the Council's financial position and wider strategies, plans and aims. It also draws on the advice of the Council's external treasury advisor.

#### **5. IMPACT ON STRATEGIC THEMES**

- 5.1 The Strategies and the Minimum Revenue Provision Statement support all three of the Council's strategic themes of Place, Community and Prosperity. There is a regulatory requirement for the Strategies and therefore the Council will be compliant in approving them before the start of the financial year on 1 April 2021.

#### **6. IMPLICATIONS**

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk** – Any new investment decision will be entered with suitable due diligence to ensure that any risk is mitigated.
- (iv) **Impact on Resources (financial)** – Approved Capital Project Bids impact on the Council's reserves. Investment interest received is a financial resource available to support spending on service provision.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on the Environment** – None directly.

#### **Background papers:**

Capital and Investment Strategies report to the Strategy and Resources Committee on 28 January 2021.

#### **Enquiries to:**

Lance Porteous, Lead Specialist - Finance, (email: lance.porteous@maldon.gov.uk).

# Capital Strategy Report 2021/22

## Maldon District Council

### Introduction

This capital strategy report for 2021/22 gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

### Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

**Governance:** Service managers bid annually in September to include projects in the Council's capital programme. Bids are collated by the finance team who calculate the financing cost (which can be nil if the project is fully externally financed). The Corporate Leadership Team (CLT) and recently formed finance working group appraise all bids based on a comparison of service priorities against financing costs and makes recommendations to Strategy and Resources committee. The final capital programme is then presented to Council in February each year.

Projects that generate savings or income may be progressed in year subject to a valid Business Case and Committee Approval.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

*Table 1: Capital financing in £thousands*

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
External sources (Government Grant)	337	539	420	420	420
Own resources (Capital Receipts)	803	548	293	457	339
<b>TOTAL</b>	<b>1,140</b>	<b>1,087</b>	<b>713</b>	<b>877</b>	<b>759</b>

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

*Table 2: Replacement of debt finance in £thousands*

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Own resources (General Fund services)	226	226	226	226	226

- The Council's full minimum revenue provision statement is shown at Appendix 4.

*Table 3: Estimates of Capital Financing Requirement in £thousands*

	31.3.2020 actual	31.3.2021 forecast	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
General Fund services	71	71	59	3	0
<b>TOTAL CFR</b>	<b>71</b>	<b>71</b>	<b>59</b>	<b>3</b>	<b>0</b>

**Asset management:** To ensure that capital assets continue to be of long-term use, the Council is developing the 2021 / 22 asset management strategy.

**Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021 / 22.

### Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent.

Due to decisions taken in the past, the Council currently has £0m borrowing and £26m treasury investments at an average rate of 0.6%.

**Borrowing strategy:** The Council is currently debt free, and there is currently no intention to borrow to fund projects included in the Capital Programme. However, if any substantial commercial investment projects are considered in the future then the Council would need to borrow any large amounts of funding that may be required.

**Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

*Table 4: Prudential Indicators: Authorised limit and operational boundary for external debt*

	2019 / 20 limit £000	2020 / 21 limit £000	2021 / 22 limit £000	2022 / 23 limit £000	2023 / 24 limit £000
Authorised limit - borrowing	16,500	16,500	16,500	16,500	16,500
Operational boundary - borrowing	7,000	7,000	7,000	7,000	7,000

**Treasury investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to maximise investment return where satisfactory results of due diligence are found and risk mitigated, although security and liquidity are still considerations. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

*Table 5: Treasury management investments in £thousands*

	31.3.2020 actual	31.3.2021 forecast	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
Near-term investments	12,887	5,000	5,000	5,000	5,000
Longer-term investments	4,671	5,000	5,000	5,000	5,000
<b>TOTAL</b>	<b>17,558</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

**Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Resources and staff, who must act in line with the treasury management strategy approved by Council. Half yearly reports on treasury management activity are presented to Overview & Scrutiny Committee. The audit committee is responsible for scrutinising treasury management decisions.

### Investments for Service Purposes

The Council does not make investments to assist local public services.

### Commercial Activities

The Council currently do not have any significant commercial activities for investment returns, however with the continuing pressures on external funding, and the implementation of the Future Model, consideration is being given to potential projects, which, when evaluated, will follow the governance for approval outlined on page 1 of this strategy.

### Liabilities

The Council is committed to making future payments to cover its pension fund deficit (valued at £24.9m). It has also set aside £1.5 m to cover risks of Business Rates appeals, Planning appeals and Insurance claims.

**Governance:** Decisions on incurring new discretionary liabilities are taken by managers in consultation with the Director of Resources. The risk of liabilities crystallising and requiring payment is monitored by departments in conjunction with the finance team and are reported to committee/management as appropriate.

### Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

*Prudential Indicator: Proportion of financing costs to net revenue stream*

	2018/19 actual	2019 / 20 forecast	2020 / 21 budget	2021 / 22 budget	2022 / 23 budget
Financing costs (£m)	-	-	-	-	-
Proportion of net revenue stream	%	%	%	%	%

- The borrowing referred to in this strategy relates to proposals that are still in planning stages, therefore these haven't been included in the table above due to wider implications of potential new revenue streams that would impact on the revenue stream. This table will be updated once there is more detail on the proposed projects.

**Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for the duration of any borrowing arrangements. The Director of Resources is satisfied that the proposed capital programme is prudent, affordable and sustainable because for the main General Fund programme, there are existing reserves to fund the expenditure. Projects will only be progressed where they prove to generate savings or an income stream to the Council, and the Business Case will assess the risks and mitigations of the projects.

### Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, when recruited the Director of Resources will need to be a qualified accountant with relevant experience. The Council pays for junior staff to study towards relevant professional accounting qualifications.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisors and the Valuation Office as property advisors. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

The Council's Treasury Management policy on the use of external advisers is available on request.

## CAPITAL PROJECT BIDS 2021 / 22

**1. SUMMARY**

This appendix outlines the Capital projects that have been put forward by officers prior to the approval of the 2021 / 22 budget and updated Medium Term Financial Strategy. The projects have been taken to the Strategy and Resources Committee on the 28 January 2021 where members made recommendations to this meeting.

- 1.1 The Council's capital programme will need to reflect the three strategic themes set out in the Council's Corporate vision of Place Community and Prosperity.
- 1.2 The 2021 / 22 project bids set out in the table below and detailed projects sheets can be found at **APPENDIX A**. The projects have been categorised by the Strategy and Resources Committee and shown on the first page of Appendix A. The detailed project bids are included in the subsequent pages of Appendix A.
- 1.3 As part of the budget strategy the broad principles adopted in relation to capital are that expenditure will be financed from existing useable capital resources and not directly from revenue.
- 1.4 At the start of 2020/21 the Council had capital reserves totalling £2.3m. £0.6m is scheduled to be used to support the 2020/21 capital programme, which will leave £1.7m to support future programmes for 2021/22 and beyond.
- 1.5 The current 5-year capital programme is set out within MDC's Medium-Term Financial Strategy. In the absence of a sizeable capital receipt from a disposal of an asset, the Council will have used up its usable capital receipts within 6 years, at the rate of the capital programme suggested for 2021/22. That would mean that any capital programme extending beyond that would have to be funded from borrowing. The Council is currently debt free.
- 1.6 The Council should note that any large capital project(s) as a result of the Commercial Strategy will be presented for consideration on a project by project business case basis under the governance arrangements for the delivery of the Commercial Strategy. The financing options of those project(s) would be included as part of the business case for the project(s).
- 1.7 It is essential that the Council's assets are maintained to ensure continued reliability and service provision either at current or improved level. To that end, repairs and renewals of Council assets are programmed into MDC's Medium-Term Financial Strategy.


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	Proposed Capital Programme 2021 / 22	£000
	Project Title	2021/22
<b>Original Bid No</b>	<b>IT Service</b>	
1	New replacement laptops - Rolling replacement programme	47
	<b>Vehicle &amp; Plant Replacement</b>	
2	Parks Vehicle - Rolling replacement programme	56
	<b>Blackwater Leisure Centre</b>	
3	New Car park entrance and drainage works	25
4	Oaktree Meadow and Orchard Meadow resurfacing improvement	35
	<b>Rivers</b>	
5	Removal old slipway at St Lawrence	10
6	Burnham on crouch Houseboats berth	120
	<b>Total Proposed Capital Programme</b>	<b>293</b>

**CAPITAL PROJECT SHEET 1**

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>	Employee Laptop & Accessories Renewal Schedule				
<b>Project Category</b> <ul style="list-style-type: none"> <li>• Essential (E)</li> <li>• Service failure (SF)</li> <li>• Service improvement (SI)</li> <li>• Commercial (C)</li> </ul>	Essential				
<b>Project Lead Officer</b>	Lead ICT Specialist - Grant Hulley				
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Planning for the yearly renewal of laptops that are 3 or more years old. This is to maintain the hardware standards for each user at the council and to keep the council hardware up to date with the changing specifications of our hardware.				
<b>Project Start Date</b> <i>(Month and year)</i>	Apr-21				
<b>Project Completion Date</b> <i>(Month and year)</i>	This would be a rolling project to keep staff laptops and hardware renewed going forward.				
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	1 FTE from current staff used to purchase and then setup new laptops. (this can be built into our laptop imaging project)				
<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>2021/22</b>	47,000				
<b>2022/23</b>	47,000				
<b>2024/25</b>	47,000				
<b>2025/26</b>	47,000				
<b>TOTAL</b>	188,000	0	0	0	0

**CAPITAL PROJECT SHEET**

Describe links to Corporate Goals Corporate goals: 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
Are there any risks to the delivery of this project in the timeframe and/or costs detailed above. (Please provide details).	With a large number of MDC employees needing to work from home, the importance of employees having laptops in good working condition has never been greater. Failure to keep these up to date would result in large amounts of important Council work not being able to be done. MDC needs to replace its laptops over a rolling 4 year period. The above costs would cover that.
Are any statutory consents required as part of this project? If so, please state (i.e. planning consent, MMO licence etc)	No
Are there Health & Safety implications? If so, please state	If laptops are not renewed regularly older equipment can start to become a health and safety risk in regards to aging batteries and possible user damage.
Is this part of a statutory obligation? If so, state how	No
Is the project contractually committed to in any way? If so, please describe	No
Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details	IT Road Map

**CAPITAL PROJECT SHEET 2**

**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>	2 x Replacement Parks team vehicles
<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>	Matt Wilson
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Rolling replacement of ageing fleet vehicles. Vehicle most in need/identified is 2004 Transit van. Additional vehicle also required for workforce mobility and work capacity.
<b>Project Start Date</b> <i>(Month and year)</i>	Apr-21
<b>Project Completion Date</b> <i>(Month and year)</i>	Sep-21
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Procurement process; additional £500 annual revenue budget for Tax, servicing, fuel etc for addition to fleet
<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>2021/22</b>	56,000		500		
<b>2022/23</b>			500		
<b>2023/24</b>			500		
<b>2024/25</b>			500		
<b>TOTAL</b>	56,000	0	2,000	0	0

<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>Protecting &amp; shaping the district and 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>each vehicle approximately £23,000 to purchase as new. Parks &amp; Countryside Supervisor has identified options to potentially reduce this cost</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>No</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p>Ageing fleet vehicles, likelihood of further mechanical breakdown.</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>Future development of Commercial activity through Parks/Grounds Maintenance services. Delivery of current GM obligations</p>

**CAPITAL PROJECT SHEET 3**

**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>	Alterations to the car park entrance and drainage at Blackwater Leisure Centre.
<b>Project Category</b> <ul style="list-style-type: none"> <li>• Essential (E)</li> <li>• Service failure (SF)</li> <li>• Service improvement (SI)</li> <li>• Commercial (C)</li> </ul>	Essential
<b>Project Lead Officer</b>	Frank Britt
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	At the existing main entrance into the car park at Blackwater Leisure Centre there have been a number of near misses involving pedestrians and vehicles. This as down to poor visibility and the relatively narrow gateway into the car park which pedestrians also have to use as there is no dedicated pedestrian access. We propose to widen the access incorporating a dedicated pedestrian gate and to increase the visibility for vehicle entering and leaving the car park. Also included in this bid is for works to be carried out to the drainage that serves the car park as it is becoming more prone to flooding recently during inclement weather.
<b>Project Start Date</b> <i>(Month and year)</i>	Jun-21
<b>Project Completion Date</b> <i>(Month and year)</i>	Nov-21
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Staff time to draw up the tender documents and carry out tender appraisal once received. There will be management time for the works phase and for agreeing the final account. Contractor costs to carry out the works following tender.
<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>2021/22</b>	25,000				
<b>2022/23</b>					
<b>2024/25</b>					
<b>2025/26</b>					
<b>TOTAL</b>	25,000	0	0	0	0

<p><b>Describe links to Corporate Goals</b></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>1) Strengthening communities to be safe, active and healthy</p> <p>To provide safer pedestrian and vehicular access for the community into Blackwater Leisure Centre car park. Also to alleviate the increasing problem of flooding in the car park that is affecting some of the parking bays and therefore reducing capacity for cars. These are both part of providing a good quality service and facilities for the residents of Maldon.</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>Increased safety for the users of the car park and leisure centre particularly pedestrians.</p>
<p>Is this part of a statutory obligation? If so, state how</p>	<p>No</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>	<p>No</p>

**CAPITAL PROJECT SHEET 4**

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>	Oak Tree Meadow (Heybridge) & Orchard Meadow (Southminster) Play Site Safety Matting Installation				
<b>Project Category</b> <ul style="list-style-type: none"> <li>• Essential (E)</li> <li>• Service failure (SF)</li> <li>• Service improvement (SI)</li> <li>• Commercial (C)</li> </ul>	Service Failure				
<b>Project Lead Officer</b>	David Burnham				
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Oak Tree Meadow and Orchard Meadow both require new safety matting installed under current play equipment and in key walk way and play areas within the play site. This falls under H&S due to current surfaces having a number of defects which include surface edges and perimeter lifting, dents and corrosion to the surfaces along which subsidence in some parts. All these factors have an increased the risk of trip / fall hazards which could result in serious injury.				
<b>Project Start Date</b> <i>(Month and year)</i>	Apr-21				
<b>Project Completion Date</b> <i>(Month and year)</i>	Jun-21				
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	The works will be completed via contractors				
<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>					
	<b>Capital Expense</b>	<b>Revenue Implications</b>		<b>External Funding</b>	
		<b>One-off</b>	<b>On-going</b>	<b>Amount</b>	<b>Source of costs</b>
	£	£	£	£	
<b>2021/22</b>	35,000				
<b>2022/23</b>					
<b>2024/25</b>					
<b>2025/26</b>					
<b>TOTAL</b>	35,000	0	0	0	0



<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>Strengthening communities to be safe, active and healthy - the works are required under Health &amp; Safety to ensure we act in a reasonable manner and that we protect the public against slips, trips and falls within our play sites.</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 foreseen risks to the delivery of the project.</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>No</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p>The current condition of aspects of the play site surfaces present H&amp;S risks due to lifting edges and perimeter, diverts in the surfaces and corrosion in the surfaces. These factors heighten the risk rating for these sites.</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>No</p>

**CAPITAL PROJECT SHEET 5**

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>	Removal of St Lawrence (Main Road) concrete slipway into River Blackwater and replace with stepped Public Access				
<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>	Matt Wilson				
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	River Safety enhancement - Significant increase in number of complaints and concerns regarding behaviour of powered craft launching from this concrete ramp through 2020, after years of ongoing issues and criminal damage to access controls. Parish Council has requested assistance with dealing with localised ASB; local resident support in general as issues caused by non-residents; Essex Marine Police and MDC CPOs have attended site on multiple occasions in 2020; River Bailiff and Countryside & Coast Manager recommend removal of existing ramp and replace with steps for continued access for non-powered craft/residents for beach launch. (note: Powered craft can continue to launch in this general location by joining one of the sailing clubs with their own launch ramps within 100m either side of this one)				
<b>Project Start Date</b> <i>(Month and year)</i>	Apr-21				
<b>Project Completion Date</b> <i>(Month and year)</i>	Sep-21				
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Contractor for demolition, removal of material and build of replacement steps. River Bailiff/Comms support for local information and engagement.				
<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>2021/22</b>	10,300				
<b>2022/23</b>					
<b>2023/24</b>					
<b>2024/25</b>					
<b>TOTAL</b>	10,300	0	0	0	0

<p>Describe links to Corporate Goals</p> <p><i>Corporate goals:</i></p> <ol style="list-style-type: none"> <li>1) Strengthening communities to be safe, active and healthy</li> <li>2) Protecting and shaping the District</li> <li>3) Creating opportunities for economic growth and prosperity</li> <li>4) Delivering good quality, cost effective and valued services</li> </ol>	<p>Strengthening communities to be safe, active and healthy; Protecting &amp; shaping the district; 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. Demolition and material removal will take place at low tide, however existing ramp is well above Mean High Water anyway.</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. Existing ramp is surface structure only, MDC are landowner of the foreshore and structure itself, and so no further consents required</p>
<p>Are there Health &amp; Safety implications? If so, please state</p>	<p>Public access along sea wall, beach and end of Highway will need to be appropriately managed and monitored throughout works/machinery movements, however expected to be very low risk and for minimal period of time/interruption</p>
<p>Is this part of a statutory obligation? If so, state how</p>	<p>No</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 6**

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>	Burnham on Crouch Houseboat berths
<b>Project Category</b> <ul style="list-style-type: none"> <li>• Essential (E)</li> <li>• Service failure (SF)</li> <li>• Service improvement (SI)</li> <li>• Commercial (C)</li> </ul>	Commercial (C)
<b>Project Lead Officer</b>	Steven Butcher
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Maldon District Council owns mooring(s) at Burnham on Crouch. One of these is occupied by the Llys Helig wreck (scheduled to be removed in March 2021). The mooring is in a prime location in the heart of Burnham on Crouch town centre. Maldon District Council will convert this single mooring into a 4-berth houseboat accommodation, capital investment will be required which will generate on-going revenue income for the authority. This commercial project capital request will have a return on investment (revenue income) in year 5-6 depending on <u>monthly income from berthing fees</u>
<b>Project Start Date</b> <i>(Month and year)</i>	Apr-21
<b>Project Completion Date</b> <i>(Month and year)</i>	Jul-21
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Project Managers: Nigel Harmer - River Bailiff Matt Wilson - Coast & Countryside coordinator Approx. 3-4 hours per week during the instillation & works
<b>Picture</b> <i>(Insert a picture in relation to the (i.e. the defective site, the area for improvement, asset due for replacement))</i>	

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
<b>2021/22</b>	120,000		-24,000		
<b>2022/23</b>			-24,000		
<b>2024/25</b>			-24,000		
<b>2025/26</b>			-24,000		
<b>TOTAL</b>	120,000	0	-96,000	0	0

<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>Creating opportunities for economic growth and prosperity - Planning for the future - Increased income through commercialisation</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>There is a dependency on this project that the existing vessel (Llys Helig) is removed by 01/04/21. The current lease agreement specifies that the owner will be liable for missed income to MDC in the event of this not being removed in the planned timescales</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 is required MMO licence Licence from Crouch harbour Authority</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	
<p><b>Is this part of a statutory obligation? If so, state how</b></p>	<p>No this is not a statutory obligation</p>
<p><b>Is the project contractually committed to in any way? If so, please describe</b></p>	<p>No the project is not contractually committed. A new procurement process will take place for this project to be delivered</p>
<p><b>Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details</b></p>	<p>Commercial Strategy</p>

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## Investment Strategy Report 2021/22

### Maldon District Council

#### Introduction

The Authority invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to earn investment income (known as **commercial investments** where this is the main purpose).

#### Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £13m and £30m during the 2021/22 financial year.

**Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities

**Further details:** Full details of the Authority's policies and its plan for 2021/22 for treasury management investments are covered in a separate document, the treasury management strategy.

#### Capacity, Skills and Culture

**Elected members and statutory officers:** The team involved in investment decision making have a number of years' experience in treasury management. They attend sessions run by our treasury management advisors in relation to investments and treatment. The Treasury Management advisors are consulted on potential changes to our portfolio. Members are also provided with treasury management training, the frequency of which is dependent on requirements and changes.

**Commercial deals:** The Finance Specialists and Section 151 Officer are involved in projects which have a financial impact and therefore communicate with those negotiating commercial deals the principles of the prudential framework and regulatory regime.

**Corporate governance:** The annual strategies are reviewed by the Performance, Governance and Audit Committee before being presented to the Strategy and Resources Committee and the Council for approval.

#### Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

**Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third-party loans. Therefore,

the potential investment risk is limited to the Council's treasury management investments which comprise call accounts, deposits, Money Market Funds and longer-dated pooled property and multi-asset funds.

*Table 1: Total investment exposure in £millions*

Total investment exposure	31.03.2020 Actual £000	31.03.2021 Forecast £000	31.03.2022 Forecast £000
Treasury management investments	£17,506	£10,000	£10,000
TOTAL INVESTMENTS	£17,506	£10,000	£10,000
TOTAL EXPOSURE	£17,506	£10,000	£10,000

**How investments are funded:** The Council's investments are funded by usable reserves and income received in advance of expenditure.

**Rate of return received:** This indicator shows the investment income received less the associated costs, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

*Table 2: Investment rate of return (net of all costs)*

Investments net rate of return	2019/20 Actual	2020/21 Forecast	2021/22 Forecast
Treasury management investments	2.2%	0.6%	0.6%
ALL INVESTMENTS	2.2%	0.6%	0.6%

There are not currently any other investment indicators, however as the Council moves towards more commercial service provision, then suitable indicators will be adopted.



## Minimum Revenue Provision Statement 2021/22

### Annual Minimum Revenue Provision Statement 2021/22

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

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

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement is an option recommended in the Guidance

**For assets acquired by leases, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.**

Based on the Authority's latest estimate of its capital financing requirement (CFR) on 31<sup>st</sup> March 2021, the budget for MRP has been set as follows:

#### *Replacement of debt finance in £ 000's*

	2019/20 forecast £000's	2020/21 budget £000's	2021/22 budget £000's	2022/23 budget £000's	2023/24 budget £000's
Own resources (General Fund services)	226	226	226	226	226

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## **REPORT of DIRECTOR OF RESOURCES**

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**to  
COUNCIL (EXTRAORDINARY)  
23 FEBRUARY 2021**

### **TREASURY MANAGEMENT STRATEGY 2021 / 22**

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

- 1.1 The Code of Practice for Treasury Management requires the Council to approve a Treasury Management Strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Code. Members are therefore asked to consider and recommend to Council the Treasury Management Strategy for 2021 / 22.

#### **2. RECOMMENDATION**

That the Treasury Management Strategy 2021 / 22 be approved.

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

- 3.1 The Treasury Management Strategy for 2021 / 22 is attached at **APPENDIX 1** and the supporting Treasury Management Practices are attached at **APPENDIX 2**.
- 3.2 The Strategy has been reviewed by the Council's Treasury Advisor, Arlingclose Ltd and includes their latest Interest Rate and Economic Outlooks at the time of writing in December 2020.

#### **4. CONCLUSION**

- 4.1 The Treasury Management Strategy has been updated in line with statutory requirements and good practice, having regard to the Council's financial position, links to wider strategies, plans and aims and the advice of the Council's external treasury advisor.

#### **5. IMPACT ON STRATEGIC THEMES**

- 5.1 This Strategy links to the Council's organisational focus on performance and efficiency.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – None.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – A key element of the strategy is effective control of the risks associated with treasury management activities.
- (iv) **Impact on Resources (financial)** – Investment interest received is a financial resource available to support spending on service provision. Appropriately qualified and trained staff are involved in the day to day operation of the Treasury Management function.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on the Environment** – None.

Background papers: Economic Background and Outlook and Interest Rate Forecasts provided by Arlingclose Ltd, the Council's treasury management advisors.

Enquiries to: Lance Porteous, Lead Specialist, Finance.  
(email: lance.porteous@maldon.gov.uk)

## Treasury Management Strategy Statement 2021/22

### Maldon District Council

#### Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code. Investments held are considered in the Capital and Investment Strategy Report.

#### External Context

**Economic background:** The impact on the UK from coronavirus, together with its exit from the European Union and future trading arrangements with the bloc, will remain a major influence on the Authority's treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in November 2020 and also extended its Quantitative Easing programme by £150 billion to £895 billion. The Monetary Policy Committee voted unanimously for both, but no mention was made of the potential future use of negative interest rates. Within the latest forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast.

UK Consumer Price Inflation (CPI) for October 2020 registered 0.7% year on year, up from 0.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 1.5% from 1.3%. The most recent labour market data for the three months to August 2020 showed the unemployment rate rose to 4.5% while the employment rate fell to 75.6%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In August, the headline 3-month average annual growth rate for wages were 0% for total pay and 0.8% for regular pay. In real terms, after adjusting for inflation, total pay growth fell by -0.8% while regular pay was up 0.1%.

GDP growth fell by -19.8% in the second quarter of 2020, a much sharper contraction from -2.0% in the previous three months, with the annual rate falling -21.5% from -1.6%. All sectors fell quarter-on-quarter, with dramatic declines in construction (-35.7%), services (-19.2%) and production (-16.3%), and a more modest fall in agriculture (-5.9%). Monthly GDP estimates have shown the economy is recovering but remains well below its pre-pandemic peak. Looking ahead, the BoE's November Monetary Policy Report forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in October, the third successive month of deflation. Core inflation

registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time with further monetary stimulus expected later in 2020.

The US economy contracted at an annualised rate of 31.7% in Q2 2020 and then rebounded by 33.1% in Q3. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.

Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling coronavirus his immediate priority and will also be reversing several executive orders signed by his predecessor and take the US back into the Paris climate accord and the World Health Organization.

**Credit outlook:** After spiking in late March as coronavirus became a global pandemic, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainly around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 is likely to be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic.

Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, as does the UK not achieving a Brexit deal, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

**Interest rate forecast:** The Authority's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the end of 2023. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the Brexit transition period ends. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

Gilt yields are expected to remain very low in the medium-term while short-term yields are likely remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.5% and 0.75% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 0.6%, Any new borrowing will be built into the budget at the relevant rate. For the purpose of project costing, the PWLB certainty rate for the borrowing term will be used.

### Local Context

On 30 November 2020 the Authority held zero of borrowing and £26m of treasury investments. This is set out in further detail later in this appendix. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

*Table 1: Balance sheet summary and forecast*

	31.3.20 Actual £000	31.3.21 Estimate £000	31.3.22 Forecast £000	31.3.23 Forecast £000	31.3.24 Forecast £000
General Fund CFR	71	71	59	3	0
Usable reserves	-11,891	-7,907	-7,471	-6,681	-4,121
Working capital	-2,300	-2,300	-2,300	-2,300	-2,300
Investments	14,120	10,136	9,712	8,978	6,421

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Council is currently debt free and its capital expenditure plans imply no need to borrow over the forecast period. Investments are forecast to fall to £6.4m by 31 March 2024 as capital receipts are used to finance capital expenditure and reserves are used to finance the revenue budget.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2021/22.

**Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk. The table shows MDC may drop below the £10m minimum investment from 2021/22.

*Table 2: Liability benchmark*

	31.3.20 Actual £000	31.3.21 Estimate £000	31.3.22 Forecast £000	31.3.23 Forecast £000	31.3.24 Forecast £000
General Fund CFR	71	71	59	3	0
Usable reserves	-11,891	-7,907	-7,471	-6,681	-4,121
Working capital	-2,300	-2,300	-2,300	-2,300	-2,300
Minimum Investments	10,000	10,000	10,000	10,000	10,000
<b>Liability benchmark</b>	<b>-4,120</b>	<b>-136</b>	<b>288</b>	<b>1,022</b>	<b>3,579</b>

### Borrowing Strategy

The Council is currently debt free and its capital expenditure plans indicate a very small requirement to borrow and the Council will fulfil this requirement from short dated borrowing. Short-term interest rates are currently much lower than long-term rates, so this is likely to be more cost effective.

In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

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

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except our Local Government Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

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

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

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

**Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

### **Treasury Investment Strategy**

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £10m and £30 million. Levels are expected to decrease in the forthcoming year as reserves are used to fund capital and revenue expenditure.

**Objectives:** The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority'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. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

**Negative interest rates:** The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving



the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

**Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Council will look to further diversify into more secure and/or higher yielding asset classes during 2021/22. This is especially the case for the funds available for longer-term investment. The majority of the Council's surplus cash remains invested in short-term unsecured bank deposits, certificates of deposit and money market funds. This diversification will represent a continuation of the new strategy adopted in 2017.

**Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

**Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

*Table 3: Treasury investment counterparties and limits*

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£2m	Unlimited
Secured investments	25 years	£2m	Unlimited
Banks (unsecured)	13 months	£2m	Unlimited
Building societies (unsecured)	13 months	£2m	£5m
Registered providers (unsecured)	5 years	£2m	£5m
Money market funds	n/a	£5m	£12m
Strategic pooled funds	n/a	£5m	£12m
Real estate investment trusts	n/a	£5m	£12m
Other investments	5 years	£2m	£5m

This table must be read in conjunction with the notes below

**Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

**Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

**Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

**Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

**Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

**Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

**Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

**Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

**Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document at Appendix 2. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and

- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then no investments will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

**Other information on the security of investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

**Investment limits:** The Council’s revenue reserves available to cover investment losses were forecast to be £6.1 million on 31<sup>st</sup> March 2022. In order that available reserves will not significantly be put at risk in the case of a single default, the maximum that will be lent to any one organisation including UK Local Government Authorities (other than the UK Government) will be £2 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£2m each
UK Central Government	unlimited
UK Local Government Authorities	£2m per Authority
Any group of organisations under the same ownership	£2m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Registered providers and registered social landlords	£2m in total
Unsecured investments with building societies	£5m in total
Loans to unrated corporates	£2m in total
Money market funds	£12m in total

**Liquidity management:** The Authority uses purpose-built cash flow forecasting methods to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

The Authority spreads its liquid cash over at multiple providers to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

### 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 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. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit score	6

**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.

Liquidity risk indicator	Target £000
Total cash available within 3 months	£5,000

**Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£62,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	-£45,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

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

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
<b>10 years and above</b>	<b>100%</b>	<b>0%</b>

As the Council does not have any external debt, the broad limits, above, have been set to allow any borrowing to be undertaken in the appropriate maturity band.

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2020/21 £000	2021/22 £000	2022/23 £000
Limit on principal invested beyond year end	£7,500	£7,500	£7,500

### Related Matters

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

**Financial derivatives:** Councils have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

**Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Section 151 Officer considers this to be the most appropriate status.

### Financial Implications

The budget for investment income in 2021/22 is £133,000, based on an average investment portfolio of £21 million at an average interest rate of 0.6%. The budget for debt interest paid in 2020/21 is currently zero as there is not a confirmed timeline for any borrowing requirement. If actual levels of investments and borrowing, or actual interest rates, differ from that forecast, performance against budget will be correspondingly different.

### Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

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

**Appendix A - Arlingclose Economic & Interest Rate Forecast - November 2020****Underlying assumptions:**

- The medium-term global economic outlook remains weak. Second waves of Covid cases have prompted more restrictive measures and further lockdowns in Europe and the UK. This ebb and flow of restrictions on normal activity will continue for the foreseeable future, at least until an effective vaccine is produced and importantly, distributed.
- The global central bank and government responses have been significant and are in many cases on-going, maintaining more stable financial, economic and social conditions than otherwise.
- Although these measures supported a sizeable economic recovery in Q3, the imposition of a second national lockdown in England during November will set growth back and likely lead to a fall in GDP in Q4.
- Signs of a slowing economic recovery were already evident in UK monthly GDP and PMI data, even before the latest restrictions. Despite some extension to fiscal support measures, unemployment is expected to rise when these eventually come to an end in mid-2021.
- This situation will result in central banks maintaining low interest rates for the medium term. In the UK, Brexit is a further complication. Bank Rate is therefore likely to remain at low levels for a very long time, with a distinct possibility of being cut to zero. Money markets continue to price in a chance of negative Bank Rate.
- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, the development of a vaccine or if the UK leaves the EU without a deal.

**Forecast:**

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- Additional monetary loosening through increased financial asset purchases was delivered as we expected. Our central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out.
- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.
- Downside risks remain in the near term, as the government continues to react to the escalation in infection rates and the Brexit transition period comes to an end.

## APPENDIX 1

	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
<b>Official Bank Rate</b>													
Upside risk	0.00	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	-0.10	-0.20	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
<b>3-month money market rate</b>													
Upside risk	0.05	0.05	0.05	0.10	0.10	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside risk	-0.40	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
<b>5yr gilt yield</b>													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.00	0.00	0.05	0.10	0.15	0.15	0.20	0.20	0.25	0.25	0.25	0.25	0.25
Downside risk	-0.30	-0.40	-0.50	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60
<b>10yr gilt yield</b>													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.30	0.30	0.35	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.55	0.55	0.55
Downside risk	-0.30	-0.40	-0.50	-0.55	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
<b>20yr gilt yield</b>													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.70	0.70	0.70	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.85
Downside risk	-0.20	-0.20	-0.25	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30
<b>50yr gilt yield</b>													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.60	0.60	0.60	0.65	0.65	0.65	0.70	0.70	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.20	-0.20	-0.25	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80%    PWLB HRA Rate = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%



## Appendix B - Existing Investment &amp; Debt Portfolio Position

	30 Nov 2020 Actual Portfolio £m	30 Nov 2020 Average Rate %
<b>Total external borrowing</b>	<b>0</b>	
<b>Total gross external debt</b>	<b>0</b>	
<b>Treasury investments:</b>		
UK Banks	3	0.2
Building societies (unsecured)	0	0.0
Certificate Deposit	2	0.9
Money Market Funds	10	0.9
Local Authorities	6	0.2
Other Financial Intermediaries	2	2.3
Debt management office	3	0.0
<b>Total treasury investments</b>	<b>26</b>	<b>0.6</b>

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## TREASURY MANAGEMENT PRACTICES PRINCIPLES AND SCHEDULES

### Introduction:

The CIPFA Code of Practice on Treasury Management in the Public Services (the Code) was last revised in November 2017. The Code requires the setting out of the responsibilities and duties of members and officers, allowing a framework for reporting and decision making on all aspects of treasury management. This Council had adopted the original Code and has similarly adopted the revised 2017 Code. The Code recommends the creation and maintenance of:

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

The Treasury Management Practices (TMPs) comprise:

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

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

## TMP 1: RISK MANAGEMENT

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

The Section 151 Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in **TMP6 Reporting requirements and management information arrangements**. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out as schedules below.

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

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

### Schedule:

Criteria to be used for creating/managing approved counterparty lists/limits	<p>The Section 151 Officer is responsible for setting a prudent criteria and the Council's treasury advisors will also provide guidance and assistance in setting the criteria.</p> <p>The criteria will be agreed by Strategy and Resources Committee.</p> <p>The Council's treasury management advisors will advise on credit policy and creditworthiness related issues. The Council will maintain a counterparty list based on its criteria and will monitor and update the credit standing of the institutions on a regular basis. This assessment will include consideration of credit ratings from all 3 ratings agencies and other alternative assessments of credit strength (for example, statements of potential government support which now includes resolution mechanisms for failing financial institutions, CDS information, the composition of an institution's balance sheet liabilities). The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.</p> <p>The credit rating criteria will also apply to securities issued by financial and non-financial institutions, which in some instances, might be higher than that of the issuing institution.</p> <p>Higher time and cash limits may be set for secured investments (e.g. those with underlying collateral or which are by regulation excluded from being bailed-in/restructured in the event of financial distress.)</p> <ul style="list-style-type: none"> <li>- Where there is no investment-specific rating, but collateral upon which the investment secured is rated, then the higher of the collateral and counterparty rating will be used to determine time and cash limits.</li> </ul>
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Approved methodology for changing limits and adding/removing counterparties	The Section 151 Officer has delegated responsibility to add or delete counterparties and to review limits within the parameters of the criteria detailed above.
Risk management : (a) creditworthiness deteriorates below the minimum criteria  (b) ratings are placed on review for downgrade	<p>Where an entity's credit rating is downgraded so that it fails to meet the minimum criteria, then</p> <ul style="list-style-type: none"> <li>- No new investments will be made,</li> <li>- Any existing investments that can be recalled or sold at no cost will be, and</li> <li>- Full consideration will be given to the recall or sale of other existing investments with the affected counterparty.</li> </ul> <p>Where a credit rating is placed on review for possible downgrade (also termed 'rating watch negative' or 'credit watch negative') so that it may fall below the minimum approved credit criteria, then only investments that can be withdrawn on [the next working day] will be made with that organisation until the rating review has been completed and its outcome known.</p> <p>The policy in (b) will not apply for 'negative outlooks' which indicate a long-term direction of travel rather than a possibility of an imminent downgrade.</p>
Counterparty list and limits	<p>A full individual listing of banking counterparties based on the criteria will be maintained. As credit ratings etc. are subject to change without notice, an up-to-date lending list will be maintained on an ongoing basis.</p> <p>It may be impractical to have a pre-determined list of non-financial counterparties in whose securities investments might be made. The minimum credit rating criteria and whether the security is secured or unsecured will determine its selection for investment.</p> <p>No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the minimum credit rating criteria.</p>
Details of credit rating agencies' services and their application	The Council considers the ratings of all 3 ratings agencies (Standard & Poor's, Moody's and Fitch) when making investment decisions. Credit rating agency information is just one of a range of instruments used to assess creditworthiness of institutions.
Description of the general approach to collecting/using information other than credit ratings for counterparty risk assessment	<p>The Council's Treasury Advisor provides timely information on counterparties, in terms of credit rating updates and economic summaries. Credit default swap information is received monthly, as well as information on share price.</p> <p>The Council's Treasury Advisor also undertakes analysis on the balance sheet structure of key banking institutions to help inform the potential restructure (i.e. bail-in) of a bank's unsecured liabilities should this be required by the regulatory authorities.</p> <p>In addition, the Section 151 Officer reads quality financial press for information on counterparties.</p>

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

**Principle :** *The Section 151 Officer will ensure the Council has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.*

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

**Schedule:**

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

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

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

**Schedule:**

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

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

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

**Schedule:**

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

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

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

**Schedule:**

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

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

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

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



## Schedule:

References to relevant statutes and regulations	<p>The treasury management activities of the Council shall comply fully with legal statute and the regulations of the Council. These are:</p> <ul style="list-style-type: none"> <li>▪ CIPFA's Treasury Management Code of Practice 2017 and subsequent amendments</li> <li>▪ CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities</li> <li>▪ CIPFA Prudential Code for Capital Finance in Local Authorities and subsequent amendments</li> <li>▪ CIPFA Standard of Professional Practice on Treasury Management</li> <li>▪ The Local Government Act 2003</li> <li>▪ The Local Authorities (Capital Finance and Accounting) (England ) Regulations 2003 SI 2003 No 3146, and subsequent amendments</li> <li>▪ Pensions, England and Wales - The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 - SI 2009 No 3093</li> <li>▪ The CLG's statutory Guidance on Minimum Revenue Provision (MRP)</li> <li>▪ The ODPM's (now CLG's) Guidance on Local Government Investments in England issued March 2004 and subsequent amendments</li> <li>▪ The Local Authorities (Contracting out of Investment Functions) Order 1996 SI 1996 No 1883</li> <li>▪ LAAP Bulletins</li> <li>▪ Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (from 2010/11 onwards)</li> <li>▪ Accounts and Audit Regulations 2015, as amended together with CLG's Guidance</li> <li>▪ The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets</li> <li>▪ Council's Constitution including:- <ul style="list-style-type: none"> <li>○ Standing Order relating to Contracts</li> <li>○ Financial Regulations</li> <li>○ Scheme of Delegation</li> </ul> </li> </ul>
Procedures for evidencing the organisation's powers/ authorities to counterparties	<p>The Council's Financial Regulations contain evidence of the power/ authority to act as required by section 151 of the Local Government Act 1972, under the general direction of the Strategy and Resources Committee.</p> <p>The Council will confirm, if requested to do so by counterparties, the powers and authorities under which the Council effects transactions with them.</p> <p>Where required, the Council will also establish the powers of those with whom they enter into transactions, including any compliance requirements in respect of a duty of care and best practice.</p>
Required information from counterparties concerning their powers/ authorities	<p>Lending shall only be made to institutions on the Council's authorised lending list or in securities which meet the Council's approved credit criteria.</p> <p>The Council will only undertake borrowing from approved sources such as the PWLB (and its successor body), organisations such as the European Investment Bank and from commercial banks who are on the Council's list of authorised institutions, thereby minimising legal and regulatory risk. The list of approved sources of borrowing are contained in TMP 4.</p>

Statement on political risks and management of the same	Political risk is managed by: <ul style="list-style-type: none"> <li>• adoption of the CIPFA Treasury Management Code of Practice</li> <li>• adherence to Corporate Governance (<u>TMP 12 - Corporate Governance</u>)</li> </ul>
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- 7) **Fraud, Error and Corruption, and Contingency Management:** The risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk referred to as operational risk.

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

**Schedule:**

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

- 8) **Market Risk Management:** This is the risk that, through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

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

## Schedule:

<p>Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (gilts, CDs etc)</p>	<p>Investment instruments used by the external fund managers are subject to fluctuation in capital movements and exposed to interest rate risk. In order to minimise these risks capital preservation is set as the primary objective and pursuit of investment performance should be commensurate with this objective.</p> <p>Pooled funds with a Constant Net asset Value (CNAV) - The Council currently uses pooled funds as per its Treasury Management Strategy and on advice from its treasury advisors.</p> <p>Additionally the following risk control guidelines are set for each fund as part of the fund management agreement to control market risk :</p> <p>(a) Maximum weighted average duration of the fund;</p> <p>(b) Maximum permitted exposure to gilts/bonds;</p> <p>(c) Maximum maturity of any instrument.</p>
<p>Accounting for unrealised gains/losses</p>	<p>The method of accounting for unrealised gains or losses on the valuation of financial assets comply with Accounting Code of Practice.</p>

## TMP 2: PERFORMANCE MEASUREMENT

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

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

**Schedule:**

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

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

## TMP 3: DECISION-MAKING AND ANALYSIS

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

## Schedule:

Major treasury decisions	<p>As a public service organisation, there is a requirement to demonstrate openness and accountability in treasury management activities. Accordingly, the Council will create and maintain an audit trail of major treasury management decisions which comprise either :</p> <ul style="list-style-type: none"> <li>a) Options Appraisal to determine a funding decision</li> <li>b) raising a new long-term loan / long-term source of finance</li> <li>c) prematurely restructuring/redeeming an existing long-term loan(s)</li> <li>d) investing longer-term (i.e. in excess of 1 year)</li> <li>e) utilisation of investment instruments which constitute capital expenditure (i.e. loan capital/share capital in a body corporate)</li> <li>f) leasing</li> <li>g) change in banking arrangements</li> <li>h) appointing/replacing a treasury advisor</li> <li>i) appointing/replacing a fund manager</li> </ul>
Process	The Council's strategy for the application of its treasury policy is set out in the annual Treasury Management Strategy.
Delegated powers for treasury management	The Section 151 Officer has delegated powers to carry out the Council's strategy for debt management, capital finance and borrowing, depositing surplus funds and managing the cash flows of the Council.

Issues to be addressed, evaluation, authorisation	<p>In exercising these powers, the Section 151 Officer and those to whom the treasury activity have been delegated will</p> <ul style="list-style-type: none"> <li>• have regard to the nature and extent of any associated risks to which the Council may become exposed;</li> <li>• be certain about the legality of the decision reached and that the necessary authority to proceed has been obtained;</li> <li>• be satisfied that the documentation is adequate to deliver the Council's objectives, protect the Council's interests, and to maintain an effective audit trail;</li> <li>• ensure that the perceived credit risk associated with the approved counterparties is judged satisfactory and is within agreed limits;</li> <li>• be satisfied that the terms of any transactions have been fully checked against the market, and have been found to be competitive;</li> <li>• follow best practice in implementing the treasury transaction.</li> </ul> <p>In exercising Borrowing and Funding decisions, the Section 151 Officer will :</p> <ul style="list-style-type: none"> <li>• evaluate economic and market factors that may influence the manner and timing of any decision to fund;</li> <li>• consider alternative forms of funding, including use of revenue resources, leasing and private partnerships;</li> <li>• consider the use of internal resources and/or the most appropriate periods to fund and repayment profiles to use;</li> <li>• consider ongoing revenue liabilities created;</li> <li>• where applicable, monitor regularly the benefits of internal borrowing against the potential for incurring additional costs by deferring borrowing into future years</li> <li>• consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use;</li> <li>• consider ongoing revenue liabilities created.</li> </ul> <p>In exercising Investment decisions, the Section 151 Officer will :</p> <ul style="list-style-type: none"> <li>• Determine that the investment is within the Council's strategy and pre-determined instruments and criteria;</li> <li>• consider the optimum period, in the light of core balances and reserves, cash flow availability and prevailing market conditions;</li> <li>• consider the alternative investment products and techniques available if appropriate.</li> </ul>
Processes to be followed	The processes to be followed will be in keeping with TMP 4: The Council's Approved, Instruments, Methods and Techniques.
Evidence and records to be kept	<p>The Council will maintain a record of all major treasury management decisions, the processes undertaken and the rationale for reaching the decision made. These will allow for an historical assessment of decisions made and verification that any checks and safeguards are indeed in place and operating correctly.</p> <p>Records and working papers will be maintained by the Council electronically and in relevant files.</p>



**TMP 4: APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**

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

**Schedule:**

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

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

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

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

*If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Section 151 Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.*

*The Section 151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Section 151 Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule below.*

*The Section 151 Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule below.*

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

### Schedule:

Limits to responsibilities at Executive levels	<p>Full Council</p> <ul style="list-style-type: none"> <li>• budget consideration and approval</li> </ul> <p>Strategy and Resources Committee:</p> <ul style="list-style-type: none"> <li>• receiving and reviewing Prudential Indicators as part of the budget setting process</li> <li>• receiving and reviewing reports on treasury management policies, practices and activities</li> <li>• approval of amendments to adopted clauses, treasury management policy statement and treasury management practices</li> <li>• receiving and reviewing external audit reports and acting on recommendations</li> <li>• approving the selection of external service providers and agreeing terms of appointment</li> </ul>
Principles and practices concerning segregation of duties	<p>The segregation of duties will be determined by the Section 151 Officer.</p> <p>Segregation of duties exists in that:</p> <ul style="list-style-type: none"> <li>• the officer(s) responsible for negotiating and closing treasury management deals is separate from officer(s) authorising payments</li> <li>• all borrowing/investments decisions must be authorised by the Section 151 Officer.</li> </ul>

Statement of duties/ responsibilities of each treasury post	<p>Examples:</p> <p>The Section 151 Officer :</p> <ul style="list-style-type: none"> <li>• submitting budgets and budget variations</li> <li>• recommending clauses, treasury management policy, practices for approval, reviewing the same regularly and monitoring compliance</li> <li>• determining Prudential Indicators and Treasury Management Strategy including the Annual Investment Strategy</li> <li>• submitting regular treasury management policy reports</li> <li>• receiving and reviewing management information reports</li> <li>• reviewing the performance of the treasury management function and promoting best value reviews</li> <li>• ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function</li> <li>• recommending the appointment of external service providers</li> <li>• determining long-term capital financing and investment decisions.</li> <li>• The Section 151 Officer has delegated powers to determine and undertake the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.</li> <li>• The Section 151 Officer may delegate their power to borrow and invest to members of his staff</li> </ul> <p>Head of Paid Service</p> <ul style="list-style-type: none"> <li>• ensuring the adequacy of internal audit and liaising with external audit</li> </ul> <p>Senior Accountant</p> <ul style="list-style-type: none"> <li>• execution of transactions</li> <li>• adherence to agreed policies and practices on a day to day basis</li> <li>• maintaining relationships with third parties and external service providers</li> <li>• monitoring performance on a day to day basis</li> <li>• submitting management information reports to the responsible officer</li> <li>• identifying and recommending opportunities for improved practices.</li> <li>• recording treasury management transactions,</li> <li>• reconciling treasury management transactions with the financial ledger</li> <li>• recording/reconciling counterparty documentation.</li> </ul>
Absence cover arrangements	<p>In the absence of the Section 151 Officer, the Lead Specialist - Finance will assume their responsibilities in respect of the Treasury Management function.</p> <p>In the absence of the Specialist - Finance staff, the Lead Specialist - Finance will provide cover.</p> <p>Cover is reviewed as necessary.</p> <p>Full procedure notes are available, detailing the processes required to enable the day to day operation of the treasury management function.</p>

Dealing

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

**TMP 6: REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS**

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

*As a minimum, the Strategy and Resources Committee will receive:*

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

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

**Schedule:**

Frequency of executive reporting requirements	<p>The Section 151 Officer will annually submit budgets and will report on budget variations as appropriate.</p> <p>The Section 151 Officer will submit the <b>Prudential Indicators</b> and the <b>Treasury Strategy Statement, Annual Investment Strategy</b> and report on the projected borrowing and investment strategy and activity for the forthcoming financial year to the Strategy and Resources Committee before the start of the year.</p> <p>The <b>Annual Treasury Report</b> will be prepared as soon as practicable after the financial year end and, in all cases, before the end of September.</p> <p>A <b>Mid-Year Treasury Report</b> will be prepared by the Section 151 Officer, which will report on treasury management activities for the first part of the financial year. The Mid-Year Report will be submitted to Strategy and Resources Committee during the year.</p>
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Content of Reporting:	
1. Treasury Strategy Statement	<p>The Treasury Strategy will include the following:</p> <ul style="list-style-type: none"> <li>• Link to Capital Financing Prudential Indicators for the current and ensuing <del>three</del> years</li> <li>• Strategy for financing new borrowing requirements (if any) and refinancing maturing borrowing (if any) over the next three years and for restructuring of debt</li> <li>• the extent to which surplus funds are earmarked for short term requirements</li> <li>• the investment strategy for the forthcoming year(s) (<i>see below*</i>)</li> <li>• the minimum to be held in short term/specified investment during the coming year</li> <li>• the interest rate outlook against which the treasury activities are likely to be undertaken.</li> </ul> <p>*Based on the ODPM's (now CLG's) Guidance on Investments, the Council will produce an Annual Investment Strategy (AIS) which sets out</p> <ul style="list-style-type: none"> <li>▪ the objectives, policies and strategy for managing its investments;</li> </ul>
2. Annual Treasury Report	<p>The Section 151 Officer will produce an annual report for the Strategy and Resources Committee on all activities of the treasury management function (including the performance of fund managers) as soon as practicable after year end and in all cases no later than 30 September of the succeeding financial year.</p> <p>The main contents of the report will comprise :</p> <ul style="list-style-type: none"> <li>▪ confirmation that the Council calculated its budget requirements and set a balanced budget for the financial year;</li> <li>▪ the prevailing economic environment</li> <li>▪ a commentary on treasury operations for the year, including their revenue effects;</li> <li>▪ commentary on the risk implications of treasury activities undertaken and the future impact on treasury activities of the Council</li> <li>▪ compliance with agreed policies/practices and statutory/regulatory requirements</li> <li>▪ performance measures.</li> </ul>
3. Content and frequency of management information reports	<p>The Section 151 Officer will produce a half yearly monitoring report for Strategy and Resources Committee</p> <p><i>Example</i> : This report includes details of :</p> <ul style="list-style-type: none"> <li>• borrowing and investment activity undertaken including forward deals</li> <li>• performance of investments against benchmark</li> <li>• extent of compliance with the treasury strategy and reasons for variance (if any)</li> </ul>

4. Scrutiny	<p>The Section 151 Officer will present the Treasury Strategy Statement to the Performance, Governance and Audit committee prior to agreement by the Strategy and Resources Committee.</p> <p>The Performance, Governance and Audit committee will have responsibility for the scrutiny of treasury management policies and practices (TMP's)</p>
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**TMP 7: BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

**Principle:** *The Section 151 Officer will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with **TMP1 Risk management**, **TMP2 Performance measurement**, and **TMP4 Approved instruments, methods and techniques**. The form which the Council's budget will take is set out in the schedule below.*

*The Section 151 Officer will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with **TMP6 Reporting requirements and management information arrangements**.*

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

**Schedule:**

Statutory/regulatory requirements	<p><b>Balanced Budget Requirement:</b> The provisions of S32 and S43 of the Local Government Finance Act 1992 require this Council to calculate its budget requirement for each financial year including, among other aspects:,</p> <p>(a) the expenditure which is estimated to be incurred in the year in performing its functions and which will be charged to a revenue account and</p> <p>(b) revenue costs which flow from capital financing decisions.</p> <p>S33 of the Act requires the Council to set a council tax sufficient to meet expenditure after taking into account other sources of income.</p>
Proper accounting practice	CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom (the local authority code) constitutes "proper accounting practice under the terms of S21 (2) of the Local Government Act 2003".

Financial Statements	<p>The Financial Statements comprise:</p> <ul style="list-style-type: none"> <li>▪ A Narrative Statement</li> <li>▪ Accounting policies, changes in accounting estimates and errors</li> <li>▪ Presentation of financial statements</li> <li>▪ Movement in reserves statement</li> <li>▪ Comprehensive income and expenditure statement</li> <li>▪ Balance sheet</li> <li>▪ Cash flow statement</li> <li>▪ Collection Fund (England)</li> <li>▪ Statement of Responsibilities</li> <li>▪ The Accounting Statements</li> <li>▪ Notes to the financial statements</li> <li>▪ Statements reporting reviews of internal controls or internal financial controls</li> <li>▪ Events after the reporting period</li> <li>▪ Related party disclosures</li> </ul>
Format of the Council's accounts	The current form of the Council's accounts is available within the Resources Service of the Council.
Disclosures relating to treasury management	Due regard will be given to the disclosure requirements under CIPFA's Accounting Code of Practice.

Treasury-related information requirements of external auditors	<p>The following information is specifically requested by the external auditor and should be considered an initial request for information. It is usually followed by more detailed audit testing work which often requires further information and/or explanations from the Council's officers.</p> <p>Information in this context includes internally generated documents, externally generated documents, observation of treasury management practices which support and explain the operation and activities of the treasury management function.</p> <ul style="list-style-type: none"> <li>▪ Determination of Affordable Borrowing Limit under Section 3 of the Local Government Act 2003.</li> <li>▪ Prudential Indicators.</li> <li>▪ Treasury Management Strategy including Annual Investment Strategy.</li> </ul> <p><u>External borrowing:</u></p> <ul style="list-style-type: none"> <li>• New loans borrowed during the year : PWLB certificates / documentation in relation to market loans borrowed (including copy of agreements, schedule of commitments)</li> <li>• Loan maturities.</li> <li>• Compliance with proper accounting practice, regulations and determinations for the amortisation of premiums and discounts arising on loans restructured during the year and previous years.</li> <li>• Analysis of loans outstanding at year end including maturity analysis.</li> <li>• Analysis of borrowing between long- and short-term</li> <li>• Debt management and financing costs <ul style="list-style-type: none"> <li>▪ calculation of (i) interest paid (ii) accrued interest</li> <li>▪ interest paid</li> </ul> </li> <li>• MRP calculation and analysis of movement in the CFR.</li> <li>• Bank overdraft position.</li> <li>• Brokerage/commissions/transaction related costs.</li> </ul> <p><u>Investments:</u></p> <ul style="list-style-type: none"> <li>• Investment transactions during the year including any transaction-related costs</li> <li>• cash and bank balances at year end</li> <li>• Short-term investments at year end</li> <li>• Long-term investments at year end (including investments in associates and joint ventures) by asset type, including unrealised gains or losses at year end</li> <li>• calculation of (i) interest received (ii) accrued interest</li> <li>• actual interest received</li> <li>• External fund manager valuations including investment income schedule and movement in capital values, transaction confirmations received (if any)</li> <li>• Basis of valuation of investments</li> <li>• Evidence of existence and title to investments (e.g. Custodian's Reports)</li> <li>• Schedule of any investments in companies together with their latest financial statements); statement of transactions between the company and the Council.</li> </ul>
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	<p><u>Cash Flow</u></p> <ul style="list-style-type: none"> <li>▪ Reconciliation of the movement in cash to the movement in net debt</li> <li>▪ Cash inflows and outflows (in respect of long-term financing)</li> <li>▪ Cash inflows and outflows (in respect of purchase/sale of long-term investments)</li> <li>▪ Net increase/decrease in (i) short-term loans (ii) short-term deposits (iii) other liquid resources</li> </ul> <p><u>Other</u></p> <p>Details of (treasury-related) material events after balance sheet date not reflected in the financial statements.</p> <ul style="list-style-type: none"> <li>▪ External advisors'/consultants' charges</li> </ul>
Internal Audit	<p>Internal Audit generally conducts an annual review of the treasury management function and probity testing.</p> <p>The internal auditors will be given access to treasury management information/documentation as required by them.</p>
Compliance with CIPFA Treasury Management and Prudential Codes	<p>Auditors may require evidence/demonstration of compliance with external and internal treasury management policies and strategy.</p> <p>Any serious breach of the TM Code's recommendations or Prudential Indicators should be brought to the attention of the external auditor.</p>
Costs for treasury management	<p>The budget for treasury management forms part of the Financial Services budget.</p>

## TMP 8: CASH AND CASH FLOW MANAGEMENT

**Principle:** Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Section 151 Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Section 151 Officer will ensure that these are adequate for the purposes of monitoring compliance with **TMP1 [2] liquidity risk management**. The present arrangements for preparing cash flow projections and their form are set out in the schedule below.

## Schedule:

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

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

## TMP 9: MONEY LAUNDERING

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

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

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

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

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

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

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

### Schedule:

Anti money laundering policy	<p>This Council’s policy is to prevent, wherever possible, the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.</p> <p>The Council has accepted responsibility to ensure that those of its staff who are most likely to be exposed to money laundering can make themselves fully aware of the law and, where necessary, are suitably trained.</p>
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Nomination of Responsible Officer(s)	<p>(a) The Council nominates the Legal and Democratic Services Manager to be the responsible body to whom any suspicions relating to transactions involving the Council will be communicated.</p> <p>(b) The responsible officer will be conversant with the requirements of the Proceeds of Crime Act 2002 and will ensure relevant staff are appropriately trained and informed so they are alert for suspicious transactions.</p> <p>(c) The responsible officer will make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it, to make internal enquiries and to make reports, where necessary, to National Criminal Intelligence Services (NCIS).</p>
Procedures for establishing the Identity of Lenders and Borrowers	<p>(a) In the course of its treasury activities, the Council will only borrow from permitted sources identified in TMP 4.</p> <p>(b) The Council will not accept loans from individuals.</p> <p>(c) In the course of its treasury activities, the Council will only invest with those counterparties which are on its approved lending list.</p> <p>(d) The identity and authenticity of commercial institutions (banks, building societies and other financial institutions) authorised to carry out borrowing and lending activity in the UK will be checked via the Bank of England/ Prudential Regulation Authority's website.</p> <p>(e) All receipts/disbursements of funds will be undertaken by <u>BACS</u> or <u>CHAPS</u> settlement.</p> <p>(f) Direct Dealing mandates: The Council will provide (in the case of lending) / obtain (in the case of borrowing) and maintain on file dealing mandates with any new money market counterparty. The mandates should be on letter-headed paper, dated and signed.</p> <p>(g) All banking transactions will only be undertaken by the personnel authorised to operate the Council's banks accounts.</p> <p>(h) When receiving requests for change of payment details, due care will be exercised to ascertain the bona fide of the request and avoid potential fraud. Additional checks will be made through <u>pre-existing</u> contact details for the payee before altering payment details.</p>



**TMP 10: TRAINING AND QUALIFICATIONS**

*Principle: The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Section 151 Officer will recommend and implement the necessary arrangements.*

*The Section 151 Officer will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.*

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

*The present arrangements are detailed in the schedule below.*

**Schedule:**

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

**TMP 11: USE OF EXTERNAL SERVICE PROVIDERS**

*Principle: The Council recognises that responsibility for the treasury management decisions remains with the organisation at all times. It recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangement's rests with the Section 151 Officer, and details of the current arrangements are set out in the schedule below.*

**Schedule:**

Contract threshold	The Council's Financial Regulations require that a formal written contract is in place with external service providers where the contract value exceeds £50,000 over the term. The contract will clearly state the services to be provided and the terms on which they will be provided.
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<p>Details of service providers and procedures and frequency for tendering services</p>	<p>(a) Bankers to the Council:  Nat West,  Po Box 333, Silbury House  300 Silbury Boulevard , Central Milton Keynes, MK9 2ZF  Tel. 0845 308 8969  Contract period : 1 April 2019 - March 2020  Formal agreement in place : yes  This service will be re-tendered every 5 years</p> <p>(b) Treasury advisor  Arlingclose  35 Chiswell Street  London EC1Y 4SE  Tel. 08448 808201  Contract period : 1 April 2018-31 March 2021  Formal agreement in place : yes  This service may be re-tendered every 3 years</p> <p>(d) Brokers:  It is considered good practice for the Council to have a minimum of two brokers and to spread business between them.</p> <p>Sterling Treasury BGC Partners Sterling Products  5 Churchill Place, Canary Wharf, London, E14 5HU  Tel. 0207 894 7742  Formal agreement in place: no</p> <p>King &amp; Shaxson  Cutlers Court, 115 Houndsditch, London. EC3A 7BR  Tel. 0207 929 8527  Formal agreement in place: no</p> <p>Tradition  Beaufort House  15 St. Botolph Street, London, EC3A 7QX  Tel. 0207 198 1500  Formal agreement in place: no</p> <p>(e) Trading Platforms:  iDealTrade  Arlingclose  35 Chiswell Street  London EC1Y 4SE  Formal agreement in place: no</p> <p>ICD Portal  30 Crown Place  London, EC2A 4EB  Formal agreement in place: no</p>
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## TMP 12: CORPORATE GOVERNANCE

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

*The Council has adopted and has implemented the key recommendations of the Code. This, together with the other arrangements detailed in the schedule below, are considered vital to the achievement of proper corporate governance in treasury management, and the Section 151 Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.*

## Schedule:

Stewardship responsibilities	The Section 151 Officer ensures that systems exist to deliver proper financial administration and control and maintaining a framework for overseeing and reviewing the treasury management function.
List of documents to be made available for public inspection.	<p>The following documents are freely available for public inspection:</p> <p><i>Examples</i></p> <ul style="list-style-type: none"> <li>▪ Annual Statement of Accounts</li> <li>▪ Revenue and Capital Estimates Book</li> <li>▪ Treasury Management Policy</li> <li>▪ Treasury Management Strategy</li> <li>▪ Budget Monitoring Reports</li> <li>▪ Annual Treasury Report</li> </ul>
Council's website.	Financial information is additionally available on the Council's website.
Procedures for consultation with stakeholders.	Members and senior officers of the Council are consulted via reports to the Strategy and Resources Committee and officer/member briefing sessions.



## REPORT of DIRECTOR OF RESOURCES

to  
**COUNCIL (EXTRAORDINARY)**  
**23 FEBRUARY 2021**

### DISCRETIONARY FEES AND CHARGES 2021 / 22

#### 1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to review the fees and charges set at the discretion of the Council that generate greater than £2,000.
- 1.2 Fees and Charges that generate less than £2,000 are reviewed and set by the Director of Resources under delegated powers.

#### 2. RECOMMENDATION

That the detailed Fees and Charges for 2021 / 22 as set out in **APPENDIX A** be agreed.

#### 3. SUMMARY OF KEY ISSUES

- 3.1 The proposed fees and charges for 2020 / 21 are set out in **APPENDIX A** and are based on the policy decisions recently updated and agreed by this Committee on 19 November 2020.
- 3.2 The 2020 / 21 and 2021 / 22 budgets for income generated from these fees and charges are detailed in the following table;

Area of Income	2020/21 Budget £'000	2020/21 Forecast £'000	Variance £'000	2021/22 Budget £'000
Environmental Protection	7	7	0	7
Food Safety and Hygiene	2	1	-1	2
Taxis and Private Hire licencing	35	29	-6	35
Premises Licencing	52	50	-2	53
Animal Licencing	14	14	0	14
Gambling licencing	3	3	0	3
Pest Control	33	25	-8	33
Green Waste Bin Service	535	583	48	672
Funfairs and Circuses	77	15	-62	77
River Moorings	19	19	0	19
River Wharfage	29	32	3	16
Land Charges	124	95	-29	124

Area of Income	2020/21 Budget £'000	2020/21 Forecast £'000	Variance £'000	2021/22 Budget £'000
Pre-Application Advice	44	30	-14	44
Building Control	144	144	0	152
Cemeteries	138	138	0	138
Town Centre Car Parks	1,236	821	-415	1,236
Parks sports pitches	8	8	0	8
Beach Huts	36	0	-36	36
Splash Park	110	0	-110	110
	<b>2,646</b>	<b>2,014</b>	<b>-632</b>	<b>2,779</b>

- 3.3 The table shows the loss of income from fees and charges-expected to be down on budget by £632,000 in 2020 / 21. This is due to reduced activity caused by the Covid 19 pandemic rather than the fees and charges rates themselves.
- 3.4 Although the table is showing no change in income from year to year for cemeteries income, many new charges are being introduced in place of old ones, as listed in **APPENDIX A**.
- 3.5 The total income in the table excludes those generated from statutory fees and charges.
- 3.6 To assist in identifying and understand the changes, a summary of these is available at **APPENDIX B**.
- 3.7 Of particular note are the wharfage fees, which have been recommended to be reduced by 50% from £3,575.00+VAT to £1,787.50+VAT. This reduces total annual wharfage fees by £14,300 based on eight barges.

#### **4. CONCLUSION**

- 4.1 The Discretionary Fees and Charges be updated in accordance with the agreed policies.

#### **5. IMPACT ON STRATEGIC THEMES**

- 5.1 The Discretionary Fees and Charges are a vital element of the overall sources of funding to the Council to deliver its services and achieve its goals.
- 5.2 The fees and charges are linked to all three Strategic Themes – Place, Community and Prosperity.

#### **6. IMPLICATIONS**

- (i) **Impact on Customers** – This has been considered when setting fees and charges policy.

- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – The actual income generated from fees and charges is subject to fluctuation due to changes in demand. This risk is managed by factoring potential losses in the calculation of the minimum general fund balance used in the budget setting process.
- (iv) **Impact on resources (financial)** – Fees and charges are one of the three major sources of funding for the Council; the other two being Council Tax and retained Business Rates. The impact of the changes to fees and charges have been incorporated into the 2021 / 22 budget proposals.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – Sustainability has been considered, as far as possible when setting Fees and Charges policies.

**Background Papers:**

2021 / 22 Fees and Charges Policies report to the Strategy and Resources Committee on 19 November 2020

Discretionary Fees and Charges 2021 / 22 report to the Strategy and Resources Committee on 28 January 2021.

**Enquiries to:**

Lance Porteous, Lead Finance Specialist, (email: lance.porteous@maldon.gov.uk).

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<b>PLANNING &amp; ENVIRONMENTAL SERVICES</b>	<b>Charge</b>	<b>VAT</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>ENVIRONMENTAL HEALTH</b>				
<b>ENVIRONMENTAL PROTECTION</b>				
<b>Anti Social Behaviour Act 2003</b>				
Fixed Penalty for Graffiti and Fly Posting S43	150.00	-	150.00	150.00
<b>Clean Neighbourhoods and Environment Act 2005</b>				
Repairing vehicle on a road ( <i>New Charge</i> )	100.00	-	100.00	-
Fixed Penalty for failure to nominate key holder (within an alarm notification area) or failure to notify local authority in writing of nominated key holders details	80.00	-	80.00	80.00
Fixed Penalty for offences under dog control orders S59(2)	100.00	-	100.00	100.00
<b>Environmental Protection Act 1990</b>				
Copy of contaminated land register entry per A4 sheet	0.08	0.02	0.10	0.10
Copy of the contaminated land strategy: bound paper copy	44.00	-	44.00	44.00
emailed copy		Free		-
Copy of radioactive substances notification per A4 sheet	0.08	0.02	0.10	0.10
Copy of radioactive substances register : bound paper copy	44.00	-	44.00	44.00
emailed copy		Free		-
per A4 sheet	0.08	0.02	0.10	0.10
Copy of other EPA statutory register entries (per A4 sheet)	0.08	0.02	0.10	0.10
downloaded from website		Free		-
Environmental searches / professional reports (per enquiry)	97.50	19.50	117.00	116.00
Charge for Housing Act Enforcement (per hour)	54.00	-	54.00	53.00
Licensing of houses in multiple occupation (New Licence): standard fee for 5 room house	965.00	-	965.00	709.00
charge per each additional room	54.00	-	54.00	40.00
Licensing of houses in multiple occupation (Renewal): standard fee for 5 room house	665.00	-	665.00	new charge
charge per each additional room	54.00	-	54.00	new charge
Request for housing inspection for immigration purposes	189.00	-	189.00	171.00
Fixed Penalty for Litter S88 (1)	150.00	-	150.00	150.00
Fixed Penalty for offences in relation to waste receptacles S47ZA(2)	110.00	-	110.00	110.00
Fixed Penalty for breach of street litter control notices and clearing notices S94A(2)	115.00	-	115.00	115.00
Fixed Penalty for unauthorised distribution of literature on designated land S3A para.7(2)	84.00	-	84.00	84.00
Failure to produce waste documentation (commercial)	300.00	-	300.00	
Failure to produce waste documentation (domestic)	200.00	-	200.00	
<b>Noise Act 1996</b>				
Fixed Penalty for noise from dwellings S8	100.00	-	100.00	105.00
<b>FOOD SAFETY, &amp; HYGIENE</b>				
Export certificate: one off	54.00	-	54.00	53.00
Food Safety revisit	175.00	-	175.00	169.00
Replacement FHRS sticker	10.00	-	10.00	8.00
Sale of SFBB packs	26.00	-	26.00	22.00
<b>Private Water Supplies</b>				
Risk assessment (per hour of officer time maximum £500)	54.00	-	54.00	53.00
Private water supply sampling		Recovery of costs		-
<b>Skin Piercing Activities</b>				
Ear piercing, electrolysis, tattooing, acupuncture: per practitioner	89.00	-	89.00	63.00
per premises	289.00	-	289.00	276.00
<b>GAMBLING ACT 2005</b>				
<b>Annual Fee</b>				
Adult Gaming Centre	890.00	-	890.00	884.00
Betting premises (other)	534.00	-	534.00	530.00
Betting Premises (track)	890.00	-	890.00	884.00
Bingo premises	890.00	-	890.00	884.00
Casino premises (converted)	2,671.00	-	2,671.00	2,652.00
Casino premises (large)	8,902.00	-	8,902.00	8,840.00
Casino premises (regional)	13,353.00	-	13,353.00	13,260.00
Casino premises (small)	4,451.00	-	4,451.00	4,420.00
Family entertainment centre	671.00	-	671.00	666.00
<b>Application Fees for Premises and Application for Provisional Statements</b>				

PLANNING & ENVIRONMENTAL SERVICES	Charge	VAT	2021/22	2020/21
	£	£	£	£
Adult gaming centre	1,780.00	-	1,780.00	1,768.00
Betting premises (other)	2,671.00	-	2,671.00	2,652.00
Betting premises (track)	2,225.00	-	2,225.00	2,210.00
Bingo premises	3,116.00	-	3,116.00	3,094.00
Casino premises (large)	8,902.00	-	8,902.00	8,840.00
Casino premises (regional)	13,353.00	-	13,353.00	13,260.00
Casino premises (small)	7,122.00	-	7,122.00	7,072.00
Family entertainment centre	1,780.00	-	1,780.00	1,768.00
				-
Application Fee for Premises with Provisional Statement				-
Adult gaming centre	1,068.00	-	1,068.00	1,061.00
Betting premises (other)	1,068.00	-	1,068.00	1,061.00
Betting premises (track)	850.00	-	850.00	844.00
Bingo premises	1,068.00	-	1,068.00	1,061.00
Casino premises (large)	4,451.00	-	4,451.00	4,420.00
Casino premises (regional)	7,122.00	-	7,122.00	7,072.00
Casino premises (small)	2,671.00	-	2,671.00	2,652.00
Family entertainment centre	850.00	-	850.00	844.00
				-
Transfer / Reinstatement of Licence				-
Adult gaming centre	1,068.00	-	1,068.00	1,061.00
Betting premises (other)	1,068.00	-	1,068.00	1,061.00
Betting premises (track)	850.00	-	850.00	844.00
Bingo premises	1,068.00	-	1,068.00	1,061.00
Casino premises (converted)	1,202.00	-	1,202.00	1,194.00
Casino premises (large)	1,917.00	-	1,917.00	1,904.00
Casino premises (regional)	5,786.00	-	5,786.00	5,746.00
Casino premises (small)	1,602.00	-	1,602.00	1,591.00
Family entertainment centre	850.00	-	850.00	844.00
				-
Variation Fee				-
Adult gaming centre	890.00	-	890.00	884.00
Betting premises (other)	1,335.00	-	1,335.00	1,326.00
Betting premises (track)	1,117.00	-	1,117.00	1,109.00
Bingo premises	1,558.00	-	1,558.00	1,547.00
Casino premises (converted)	1,780.00	-	1,780.00	1,768.00
Casino premises (large)	6,676.00	-	6,676.00	6,630.00
Casino premises (regional)	6,676.00	-	6,676.00	6,630.00
Casino premises (small)	3,561.00	-	3,561.00	3,536.00
Family entertainment centre	890.00	-	890.00	884.00
				-
Other Gambling Act Licence Fees				-
Change of circumstance	43.00	-	43.00	43.00
Copy of licence	21.00	-	21.00	21.00
				-
LICENSING				-
Animal Licensing				-
Animal boarding establishments - new application	439.00	-	439.00	276.00
Animal boarding establishments - renewal	290.00	-	290.00	new charge
Animal home boarding - new application	439.00	-	439.00	276.00
Animal home boarding - renewal	290.00	-	290.00	new charge
Dangerous wild animal	245.00	-	245.00	376.00
Dog breeding establishments - new application	474.00	-	474.00	276.00
Dog breeding establishments - renewal	290.00	-	290.00	new charge
Pet shop - new application	439.00	-	439.00	276.00
Pet shop - renewal	290.00	-	290.00	new charge
Riding establishments - new application	610.00	-	610.00	376.00
Riding establishments - renewal	436.00	-	436.00	new charge
Zoo licence (individually determined fees)	Recovery of costs			-
Any costs incurred by the Council in licensing premises, e.g. Vet's fees, will be passed on to the licensee				-

<b>PLANNING &amp; ENVIRONMENTAL SERVICES</b>	<b>Charge</b>	<b>VAT</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
				-
<b>Hackney Carriage Licences</b>				-
Driver licence (Hackney or Dual) - 3 yrs duration	237.00	-	237.00	216.00
Vehicle licence (excludes vehicles test) - 1 yr duration	238.00	-	238.00	235.00
Licence fee reduced for wheelchair accessible vehicles 25%				-
				-
<b>Private Hire Licences</b>				-
Driver licence (PH or Dual) - 3 yrs duration	237.00	-	237.00	216.00
Private hire operators licence (1 car) - 5yrs duration	229.00	-	229.00	216.00
Vehicle licence (excludes vehicles test) - 1 yr duration *	238.00	-	238.00	235.00
* Licence fee reduced for wheelchair accessible vehicles 25%				-
				-
<b>Town &amp; Police Clauses Act 1847</b>				-
Street closures admin charge	73.33	14.67	88.00	86.00
+ Street closures press advert recovery of cost	Recovery of costs			-
				-
<b>Local Government Miscellaneous Provisions Act 1982</b>				-
Sex establishment licence: application	2,634.00	-	2,634.00	2,616.00
renewal	527.00	-	527.00	523.00
variation	210.00	-	210.00	209.00
				-
<b>MOBILE HOMES ACT 2013</b>				-
Application to transfer a site licence	352.00	-	352.00	321.00
Deposit of Site Rules	65.00	-	65.00	59.00
				-
<b>Annual Fee</b>				-
Band 1 (1-8 Pitches)	0.00	-	0.00	-
Band 2 (9-24 Pitches)	298.00	-	298.00	272.00
Band 3 (25-99 Pitches)	503.00	-	503.00	460.00
Band 4 (100-199 Pitches)	790.00	-	790.00	722.00
Band 5 (more than 200 Pitches)	1,017.00	-	1,017.00	929.00
				-
<b>New Site Licence Application and renewals</b>				-
Band 1 (1-8 Pitches)	666.00	-	666.00	608.00
Band 2 (9-24 Pitches)	763.00	-	763.00	697.00
Band 3 (25-99 Pitches)	1,055.00	-	1,055.00	965.00
Band 4 (100-199 Pitches)	1,272.00	-	1,272.00	1,163.00
Band 5 (more than 200 Pitches)	1,537.00	-	1,537.00	1,405.00
				-
<b>Application to amend a site Licence fee</b>				-
Band 1 (1-8 Pitches)	390.00	-	390.00	356.00
Band 2 (9-24 Pitches)	400.00	-	400.00	366.00
Band 3 (25-99 Pitches)	417.00	-	417.00	380.00
Band 4 (100-199 Pitches)	422.00	-	422.00	387.00
Band 5 (more than 200 Pitches)	449.00	-	449.00	410.00
				-
<b>SCRAP METAL DEALERS LICENCES</b>				-
Scrap metal dealers collectors licence (3yrs duration)	204.00	-	204.00	194.00
Scrap metal dealers collectors licence renewal (3yrs duration)	158.00	-	158.00	146.00
Scrap metal dealers site licence (3yrs duration)	387.00	-	387.00	321.00
Scrap metal dealers site licence renewal (3yrs duration)	321.00	-	321.00	263.00
Scrap metal dealers variation of a licence	95.00	-	95.00	53.00
Scrap metal dealers additional site	74.00	-	74.00	73.00
<b>ENVIRONMENTAL WASTE</b>				-
				-
<b>DOMESTIC REFUSE</b>				-
Black sacks - per roll of 26	3.00	0.60	3.60	3.00
				-
<b>PEST CONTROL - COMMERCIAL</b>				-
Insects and rodents per hour (excluding materials)	102.50	20.50	123.00	123.00
Rodent contract work	By negotiation - minimum charge £100			-
Treatment for squirrels	102.50	20.50	123.00	123.00
Treatment for moles	102.50	20.50	123.00	123.00
				-

<b>PLANNING &amp; ENVIRONMENTAL SERVICES</b>	<b>Charge</b>	<b>VAT</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>PEST CONTROL - DOMESTIC</b>				-
Call out charge	59.17	11.83	71.00	71.00
Ants (each property)	83.33	16.67	100.00	100.00
Bedbug infestation: 1-3 bed property	87.50	17.50	105.00	105.00
4-5 bed property	92.50	18.50	111.00	111.00
> 5 bed property	By negotiation			-
Second call out within 6 weeks of initial treatment at 50% charge				-
Bees	59.17	11.83	71.00	71.00
Brown-tailed moth	Based on hourly rate			-
Fleas infestation: 1-3 bed property	87.50	17.50	105.00	105.00
4-5 bed property	92.50	18.50	111.00	111.00
> 5 bed property	By negotiation			-
Second call out within 6 weeks of initial treatment at 50% charge				-
Lice and cockroaches	59.17	11.83	71.00	71.00
Mice	59.17	11.83	71.00	71.00
Rats	59.17	11.83	71.00	71.00
Wasps nests	59.17	11.83	71.00	71.00
additional nest (treated at same time as first)	28.33	5.67	34.00	34.00
				-
<b>RECYCLING</b>				-
Green bins: standard annual fee	48.00	-	48.00	46.00
direct debit payers and internet payers annual fee		-	Deleted	Deleted
(standard fee: half year pro rata for new customers) (New Charge)	23.00	-	23.00	23.00
Isolated properties annual fee (new charge)	25.00	-	25.00	25.00
Purchase of Green Bin including Delivery	26.00	-	26.00	25.00
Green waste sacks (per sack)		-	Deleted	Deleted
delivery / postage charge per bag if required (2nd class)			Deleted	Deleted
				-
<b>REFUSE COLLECTION</b>				-
Household Bulky Waste - 1 to 3 items	35.00	-	35.00	35.00
Household Bulky Waste - 4 to 6 items	70.00	-	70.00	70.00
Household Bulky Waste - 7 to 9 items	106.00	-	106.00	105.00
Household Bulky Waste - 10 to 12 items (maximum)	141.00	-	141.00	140.00
				-
<b>Residential Homes Roadside Collection</b>				-
1100ltr bin or equivalent - annual charge		-	Deleted	Deleted
				-
<b>NEW PROPERTIES (6 or more properties)</b>				-
Cost per refuse / recycling container to developers including delivery	60.00	-	60.00	60.00
				-
<b>STRAY DOGS</b>				-
Stray dog destruction fee	Recovery of costs			-
				-
Collection Fee ( <i>New Charge</i> )	50.00	-	50.00	
Admin Fee ( <i>New Charge</i> )	25.00	-	25.00	
Kenneling per night ( <i>New Charge</i> )	15.00	-	15.00	
<b>With Tag or Chip</b>	Deleted			
Administration fee	Deleted			30.00
Collection fee statutory	Deleted			25.00
Vets fees	Recovery of costs			-
				-
<b>Without Tag or Chip</b>	Deleted			-
Administration fee	Deleted			35.00
Collection fee statutory	Deleted			25.00
Vets fees	Recovery of costs			-
				-
<b>STREET CLEANSING</b>				-
Return of abandoned trolleys	50.00	-	50.00	50.00
				-

<b>SERVICE DELIVERY</b>	<b>Charge</b>	<b>VAT</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>CEMETERIES</b>				
Search in burial register	25.83	5.17	31.00	31.00
Use of chapel	217.00	-	217.00	135.00
Plot choosing: non-resident		Deleted		108.00
resident		Deleted		54.00
Plot choosing: burial ex woodland non-resident ( <i>New Charge</i> )	485.83	97.17	583.00	
burial ex woodland resident ( <i>New Charge</i> )	243.33	48.67	292.00	
Plot choosing: cremated remains non-resident ( <i>New Charge</i> )	135.83	27.17	163.00	
Plot choosing: cremated remains resident ( <i>New Charge</i> )	68.33	13.67	82.00	
Collection of ashes		Deleted		43.00
				-
<b>Bronze Memorial Plaques</b>				
Bench plaque: 8" x 2.5"		Deleted		178.00
Plaque on plinth: 6" x 4"	345.00	69.00	414.00	414.00
6" x 4"	153.00	-	153.00	153.00
7" x 5"	172.00	-	172.00	172.00
				-
<b>Charges for Right to Place Monument</b>				
Under 16 years		Deleted		-
Under 18 years ( <i>New Charge</i> )		Free		
Additional inscription	83.00	-	83.00	83.00
Full kerb set	223.00	-	223.00	223.00
Full kerb set & headstone up to 1m	326.00	-	326.00	326.00
Headstone up to 1m	142.00	-	142.00	142.00
Other memorials ( <i>cremated remains memorials</i> )	110.00	-	110.00	110.00
				-
<b>Exclusive Right of Burial - Non Resident</b>				
All ages: 5 years		Deleted		245.00
10 years		Deleted		433.00
10 Year (top up for existing Exclusive right of burial only) ( <i>New Charge</i> )	350.00	70.00	420.00	
10 Year (top up for existing Exclusive right of burial only child) ( <i>New Charge</i> )	183.33	36.67	220.00	
15 years		Deleted		607.00
30 years		Deleted		1,099.00
50 years next in line burial child ( <i>New Charge</i> )	375.00	75.00	450.00	
50 years next in line burial adult ( <i>New Charge</i> )	916.67	183.33	1,100.00	
Ashes: 30 years		Deleted		362.00
99 years		Deleted		559.00
50 years next in line cremated remains child ( <i>New Charge</i> )	216.67	43.33	260.00	
50 years next in line cremated remains adult ( <i>New Charge</i> )	433.33	86.67	520.00	
99 years next in line cremated remains child ( <i>New Charge</i> )	375.00	75.00	450.00	
99 years next in line cremated remains adult ( <i>New Charge</i> )	750.00	150.00	900.00	
Ashes - woodland glades: 30 years		Deleted		399.00
99 years		Deleted		663.00
Traditional: 99 years		Deleted		1,691.00
99 years next in line burial adult ( <i>New Charge</i> )	1,416.67	283.33	1,700.00	
99 years next in line burial child ( <i>New Charge</i> )	708.33	141.67	850.00	
Transfer of exclusive rights of burial	68.00	-	68.00	36.00
Woodland glades ( <i>inc memorial tree</i> ): 30 years		Deleted		1,326.00
99 years		Deleted		1,969.00
<b>Exclusive Right of Burial - Resident</b>				
All ages: 5 years		Deleted		122.00
10 years		Deleted		215.00
10 years top up for existing ERBs only adult ( <i>New Charge</i> )	175.00	35.00	210.00	
10 years top up for existing ERBs only child ( <i>New Charge</i> )	87.50	17.50	105.00	
15 years		Deleted		302.00
30 years		Deleted		550.00
50 years next in line burial adult ( <i>New Charge</i> )	458.33	91.67	550.00	
50 years next in line burial child ( <i>New Charge</i> )	187.50	37.50	225.00	
Ashes: 30 years		Deleted		181.00
99 years		Deleted		280.00
50 years next in line cremated remains child ( <i>New Charge</i> )	108.33	21.67	130.00	
50 years next in line cremated remains adult ( <i>New Charge</i> )	216.67	43.33	260.00	

<b>SERVICE DELIVERY</b>	<b>Charge</b>	<b>VAT</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
99 years next in line cremated remains child ( <i>New Charge</i> )	187.50	37.50	225.00	
99 years next in line cremated remains adult ( <i>New Charge</i> )	375.00	75.00	450.00	
Ashes - woodland glades: 30 years		Deleted		199.00
99 years		Deleted		331.00
99 years next in line burial adult ( <i>New Charge</i> )	708.33	141.67	850.00	
99 years next in line burial child ( <i>New Charge</i> )	354.17	70.83	425.00	
Traditional: 99 years	0.00	Deleted		846.00
Transfer of exclusive rights of burial	68.00	-	68.00	36.00
Woodland glades ( <i>inc memorial tree</i> ): 30 years		Deleted		662.00
99 years		Deleted		1,617.00
				-
<b>Grave Digging</b>				-
Under 16 years		Deleted		-
16 years and over - single depth		Deleted		487.00
16 years and over - single depth Saturday		Deleted		553.00
16 years and over - double depth		Deleted		519.00
16 years and over - double depth Saturday		Deleted		584.00
Ashes - single depth		Deleted		95.00
Ashes - single depth Saturday		Deleted		101.00
Ashes - double depth		Deleted		101.00
Ashes - double depth Saturday		Deleted		106.00
				-
<b>Interment - Non Resident</b>				-
Under 16 years		Deleted		-
16 years and over		Deleted		1,027.00
Under 18 years		Free		
18 years and over burial ( <i>New Charge</i> )	1,666.67	333.33	2,000.00	
18 years and over cremated remains ( <i>New Charge</i> )	416.67	83.33	500.00	
Ashes		Deleted		314.00
Ashes - woodland glades		Deleted		383.00
Burial plot adjacent to path or end of row		Deleted		467.00
Scattering of ashes: under 16 years		Deleted		-
16 years and over		Deleted		162.00
Scattering of ashes: under 18 years ( <i>New Charge</i> )		Free		
18 years and over ( <i>New Charge</i> )	141.67	28.33	170.00	
Saturday 10.00 - noon only		Deleted		621.00
				-
<b>Interment - Resident</b>				-
Under 16 years		Deleted		-
16 years and over		Deleted		514.00
Under 18 years		Free		
18 years and over burial ( <i>New Charge</i> )	833.33	166.67	1,000.00	
18 years and over cremated remains ( <i>New Charge</i> )	187.50	37.50	225.00	
Ashes		Deleted		158.00
Ashes - woodland glades		Deleted		193.00
Scattering of ashes: under 16 years		Deleted		-
16 years and over		Deleted		83.00
Scattering of ashes: under 18 years ( <i>New Charge</i> )		Free	0.00	
18 years and over ( <i>New Charge</i> )	70.83	14.17	85.00	
scattering at sea all ages ( <i>New Charge</i> )	375.00	75.00	450.00	
Disinterment of cremated remains ( <i>New Charge</i> )	291.67	58.33	350.00	
Exhumation of coffin	Price on request			
Burial plot adjacent to path or end of row		Deleted		233.00
Saturday 10.00 - noon only		Deleted		310.00
				-
<b>Memorialisation Scheme</b>				-
Memorial climber / shrub		Deleted		-
Memorial garden seat: Traditional		Deleted		1,200.00
Rustic		Deleted		950.00
Memorial tree including planting	210.00	-	210.00	204.00
<b>Neat and Tidy Scheme</b>				
Ashes (bed): 1 year	83.33	16.67	100.00	191.00
5 years	333.33	66.67	400.00	909.00
10 years		Deleted		1,722.00
Lawn (headstone bed): 1 year	125.00	25.00	150.00	221.00

<b>SERVICE DELIVERY</b>	<b>Charge</b>	<b>VAT</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
5 years	500.00	100.00	600.00	1,042.00
10 years		Deleted		1,974.00
Lawn (full burial): 1 year	166.67	33.33	200.00	250.00
5 years	666.67	133.33	800.00	1,183.00
10 years		Deleted		2,243.00
<b>PARKS TEAM</b>				
Parks Ground Maintenance Contracts - Charges based on enquiry				-
				-
<b>OFF STREET PARKING</b>				-
Vehicles that display up to date disabled persons badge		Free		-
				-
<b>OFF STREET PARKING</b>				-
				-
<b>Maldon District Council offices:</b>				-
<b>Weekdays 8am - 5pm (max stay 2 hrs)</b>				-
Up to 1 hr	0.92	0.18	1.10	1.10
Up to 2hrs	1.17	0.23	1.40	1.40
<b>Weekends</b>				-
Pay & display: Saturday (8am to 5pm) up to 1 hour	0.92	0.18	1.10	1.10
Saturday (8am to 5pm) 1 to 2 hours	1.17	0.23	1.40	1.40
Saturday (8am to 5pm) 2 to 3 hours	1.67	0.33	2.00	2.00
Saturday (8am to 5pm) 3 to 4 hours	2.17	0.43	2.60	2.60
Saturday (8am to 5pm) over 4 hours	3.67	0.73	4.40	4.40
Saturday Evening 5pm to 10pm	1.25	0.25	1.50	1.50
Sunday All Day	1.25	0.25	1.50	1.50
				-
<b>Butt Lane (Monday to Saturday - 8am to 5pm)</b>				-
Pay & display: up to 1 hour	0.92	0.18	1.10	1.10
1 to 2 hours	1.17	0.23	1.40	1.40
2 to 3 hours	1.67	0.33	2.00	2.00
3 to 4 hours	2.17	0.43	2.60	2.60
over 4 hours	3.67	0.73	4.40	4.40
Weekday & Saturday Evening (5pm to 10pm)	1.25	0.25	1.50	1.50
Sunday All Day	1.25	0.25	1.50	1.50
				-
Season ticket: annual	531.67	106.33	638.00	638.00
6 months	265.83	53.17	319.00	319.00
monthly	47.50	9.50	57.00	57.00
Bulk purchases (Monday - Saturday): minimum 10 tickets		Discount of 5%		-
minimum 15 tickets		Discount of 10%		-
minimum 20 tickets		Discount of 15%		-
				-
<b>Friary Fields (Monday to Saturday - 8am to 5pm)</b>				-
Pay & display: up to 3 hours	1.67	0.33	2.00	2.00
3 to 4 hours	2.17	0.43	2.60	2.60
over 4 hours	3.67	0.73	4.40	4.40
Weekday & Saturday Evening (5pm to 10pm)	1.25	0.25	1.50	1.50
Sunday All Day	1.25	0.25	1.50	1.50
		-		-
Season ticket: annual	531.67	106.33	638.00	638.00
6 months	265.83	53.17	319.00	319.00
monthly	47.50	9.50	57.00	57.00
Bulk purchases (Monday - Saturday): minimum 10 tickets		Discount of 5%		-
minimum 15 tickets		Discount of 10%		-
minimum 20 tickets		Discount of 15%		-
Public sector partners (Monday - Friday)		Discount of 50%		-
				-
<b>High St. East (Monday to Saturday - 8am to 5pm)</b>				-
Pay & display: up to 1 hour	0.92	0.18	1.10	1.10
1 to 2 hours	1.17	0.23	1.40	1.40
2 to 3 hours	1.67	0.33	2.00	2.00
3 to 4 hours	2.17	0.43	2.60	2.60
over 4 hours	3.67	0.73	4.40	4.40
Weekday & Saturday Evening (5pm to 10pm)	1.25	0.25	1.50	1.50
Sunday All Day	1.25	0.25	1.50	1.50



<b>SERVICE DELIVERY</b>	<b>Charge</b>	<b>VAT</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
				-
Season ticket: annual	531.67	106.33	638.00	638.00
6 months	265.83	53.17	319.00	319.00
monthly	47.50	9.50	57.00	57.00
Bulk purchases (Monday - Saturday): minimum 10 tickets	Discount of 5%			-
minimum 15 tickets				-
minimum 20 tickets				-
Public sector partners (Monday - Friday)	Discount of 50%			-
				-
<b>Hythe Quay</b>				-
Season ticket: annual	96.67	19.33	116.00	116.00
				-
<b>Maldon Promenade (Monday to Sunday - 8am to 8pm)</b>				-
Car: up to 1 hour	1.00	0.20	1.20	1.20
1 to 2 hours	2.00	0.40	2.40	2.40
2 to 4 hours	5.00	1.00	6.00	6.00
all day	6.42	1.28	7.70	7.70
Coach: up to 2 hours	6.08	1.22	7.30	7.30
over 2 hours	11.08	2.22	13.30	13.30
Coach park - coach / bus season tickets	183.33	36.67	220.00	220.00
Non residents season ticket	146.67	29.33	176.00	176.00
Residents season ticket	110.00	22.00	132.00	132.00
				-
<b>Market Site</b>				-
Season ticket: annual	586.67	117.33	704.00	704.00
6 months	293.33	58.67	352.00	352.00
monthly	52.50	10.50	63.00	63.00
				-
<b>Silver Street</b>				-
Season ticket: annual	531.67	106.33	638.00	638.00
6 months	265.83	53.17	319.00	319.00
monthly	Pro rata charge			-
Bulk purchases (Monday - Saturday): minimum 10 tickets				-
minimum 15 tickets				-
minimum 20 tickets	Discount of 15%			-
<b>White Horse Lane (Monday to Saturday - 8am to 5pm)</b>				-
Pay & display: up to 1 hour	0.92	0.18	1.10	1.10
1 to 2 hours	1.17	0.23	1.40	1.40
2 to 3 hours	1.67	0.33	2.00	2.00
3 to 4 hours	3.08	0.62	3.70	3.70
over 4 hours	7.33	1.47	8.80	8.80
Weekday & Saturday Evening (5pm to 10pm)	1.25	0.25	1.50	1.50
				-
<b>White Horse Lane</b>				-
Maldon Schools permit	183.33	36.67	220.00	220.00
				-
<b>Town Centre Car Parks</b>				-
Residents season ticket (Monday 5pm-10pm All Day Sunday)	65.83	13.17	79.00	79.00
				-
<b>Events Car Parking - day ticket</b>				-
Charge to be set by MDC prior to event				-
				-
				-
<b>Electricity Supply (Riverside &amp; Promenade Park)</b>				-
Charge per day	46.67	9.33	56.00	56.00
Deposit	49.00	-	49.00	49.00
				-
<b>Water Supply (Riverside &amp; Promenade Park)</b>				-
Stand Pipe Installation ( <i>New Charge</i> )	65.00	-	65.00	65.00
Charge per day	25.83	5.17	31.00	31.00
Deposit	56.00	-	56.00	56.00
				-
				-
<b>Beach Hut Hire - Promenade Park</b>				-
<b>Daily Charge</b>				-
High-Season (April - September)	37.50	7.50	45.00	45.00



<b>SERVICE DELIVERY</b>	<b>Charge</b>	<b>VAT</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Low-Season (October - March)	26.67	5.33	32.00	32.00
<i>A minimum charge of £10 (Inc. VAT) will apply for part days and later bookings</i>				-
				-
<b>Beach Hut Packages</b>				-
Gold Package - ( <i>Peak season beach hut hire, 2 all day splash park wristbands and all day car parking</i> )		Deleted		-
Silver Package - ( <i>Mid season beach hut hire, 2 all day splash park wristbands and all day car parking</i> )		Deleted		-
				-
<b>FUNFAIRS AND CIRCUSES - Minimum of:</b>				-
Damage deposit	500.00	-	500.00	500.00
Poster removal deposit ( <i>New Charge</i> )	500.00	-	500.00	500.00
				-
<b>Circus at Promenade Park</b>				-
Daily ground rate (whilst circus is in operation)	158.00	-	158.00	155.00
Daily ground rate (whilst circus is not in operation)	82.00	-	82.00	80.00
				-
<b>Circus at Riverside Park</b>				-
Daily ground rate (whilst circus is in operation)	138.00	-	138.00	135.00
Daily ground rate (whilst circus is not in operation)	71.00	-	71.00	70.00
				-
<b>Funfair at Riverside Park</b>				-
Daily ground rate (whilst fair is in operation)	373.00	-	373.00	370.00
Daily ground rate (whilst fair is not in operation)	186.00	-	186.00	185.00
				-
<b>Travelling Funfair at Promenade Park</b>				-
Daily ground rate (whilst fair is in operation)	488.00	-	488.00	485.00
Daily ground rate (whilst fair is not in operation)	196.00	-	196.00	195.00
				-
<b>PARKS AND OPEN SPACES</b>				-
<b>Memorial Benches</b>				-
Rustic bench	1,233.00	-	1,233.00	1,224.00
Cast iron bench	1,253.00	-	1,253.00	1,244.00
				-
<b>Advertising and Sponsorship</b>				-
Events Banners per week (main gate entrances on railings x2 + free electronic advert)	29.17	5.83	35.00	35.00
Events Banners per week ( <i>community / charity</i> )	16.67	3.33	20.00	20.00
Electronic Advert ( <i>per day minimum 1 week</i> )		Deleted		-
Internal park adverts TBA ( <i>per week</i> )	16.67	3.33	20.00	20.00
Vehicle advertising TBA ( <i>per day</i> )	109.17	21.83	131.00	130.00
Sponsorship		By negotiation		-
				-
<b>Event Land Hire Charge - Council Park or Open Space (<i>New Charges - per day</i>)</b>				-
Event licence / Permit fee (minimum fee payable on acceptance of event)	25.00	5.00	30.00	30.00
Charity - Small event (1-1,000 attendees)	25.00	5.00	30.00	30.00
Charity - Medium event (1,001- 2,500 attendees)	46.67	9.33	56.00	56.00
Charity - Large event (2,501 + attendees)	90.83	18.17	109.00	108.00
Community - Small event (1-1,000 attendees)	54.17	10.83	65.00	65.00
Community - Medium event (1,001- 2,500 attendees)	100.83	20.17	121.00	120.00
Community - Large event (2,501 + attendees)		Price on application		on application
Commercial - Small event (1-1,000 attendees)	268.33	53.67	322.00	320.00
Commercial - Medium event (1,001- 2,500 attendees)	503.33	100.67	604.00	600.00
Commercial - Large event (2,501 + attendees)		Price on application		on application
				-
<b>Prom Park hire for Concessions</b>		Price on application		on application
				-
				-
<b>Other Council owned Land Hire for Concessions - (price is per operator, per day, per concession)</b>				-
<b>Peak Time (<i>School Holidays/Bank Holidays/ Event Days</i>)</b>				-
Daily charge	55.00	-	55.00	54.00
Medium (Team of 2 - 5 Operators) <i>price per operator</i>			Deleted	Deleted
Large (Team of 5+ Operators) <i>price per operator</i>			Deleted	Deleted
Charitable Concession		Deleted		-
<b>Off Peak Time</b>				-
Daily charge	37.00	-	37.00	37.00
Medium (Team of 2 - 5 Operators) <i>price per operator</i>			Deleted	Deleted
Large (Team of 5+ Operators) <i>price per operator</i>			Deleted	Deleted
Charitable Concession		Deleted		-

<b>SERVICE DELIVERY</b>	<b>Charge</b>	<b>VAT</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Pop Up Trading</b>				-
<b>Peak Time (School Holidays/Bank Holidays/ Event Days)</b>				-
Market Stall (Frame with Canopy)	56.00	-	56.00	55.00
Wheelie Cart	50.00	-	50.00	49.00
Wheelie Cart including Fridge	55.00	-	55.00	54.00
Electricity	10.83	2.17	13.00	13.00
<b>Off Peak Time</b>		-		-
Market Stall (Frame with Canopy)	45.00	-	45.00	44.00
Wheelie Cart	40.00	-	40.00	39.00
Wheelie Cart including Fridge	45.00	-	45.00	44.00
Electricity	10.83	2.17	13.00	13.00
				-
<b>ROUNABOUT SPONSORSHIP</b>				-
1 Year agreement - Maldon Town site		Price on application	n application	
1 Year agreement - Other district site		Price on application	n application	
3 Year agreement - Maldon Town site		Price on application	n application	
3 Year agreement - Other district site		Price on application	n application	
Landscaping scheme (minimum 5 years)		Price on application	n application	
				-
1 Year Boundary sign Agreement		Price on application	n application	
				-
<b>PARKS AND SPORTS PITCHES</b>				-
<b>Cricket (per game)</b>				-
Adult	71.67	14.33	86.00	85.00
Junior	41.67	8.33	50.00	50.00
Sports pitch use - parking season ticket (per club)	104.17	20.83	125.00	124.00
				-
<b>Football (per game)</b>				-
Adult	44.17	8.83	53.00	53.00
Junior	33.33	6.67	40.00	40.00
Changing rooms (only)	11.67	2.33	14.00	14.00
Sports pitch use - parking season ticket (per team)	104.17	20.83	125.00	124.00
Sports club training / structured activities	9.17	1.83	11.00	11.00
				-
<b>Mini Soccer</b>				-
Juniors	26.67	5.33	32.00	32.00
				-
<b>Netball (per court, per hour)</b>				-
Adult	10.00	2.00	12.00	12.00
Junior	7.50	1.50	9.00	9.00
				-
<b>Tennis (per court, per hour)</b>				-
Adult	7.50	1.50	9.00	9.00
Junior	5.83	1.17	7.00	7.00
Member of Maldon Tennis Club		Deleted		-
				-
<b>Organised Bootcamps / Personal Training in Council-owned Parks</b>				-
Hourly	10.00	2.00	12.00	12.00
Monthly Charge - 5 hours per week		Deleted		-
Monthly Charge - 10 hours per week		Deleted		-
3 Month Licence ( 2 hours per week)	75.83	15.17	91.00	90.00
6 Month Licence ( up to 3 hours per week)	134.17	26.83	161.00	160.00
12 Month Licence ( up to 5 hours per week)	235.00	47.00	282.00	280.00
				-
<b>RIVERS</b>				-
<b>Moorings</b>				-
Annual charge: up to 7.99 metres	125.00	25.00	150.00	143.00
8 to 9.99 metres	204.17	40.83	245.00	235.00
10 to 14.99 metres	283.33	56.67	340.00	326.00
15 metres and above	375.00	75.00	450.00	418.00
Mooring registration fee	112.50	22.50	135.00	128.00
Transfer of mooring		50% of annual mooring fee		-
				-
<b>Residential Mooring Charges</b>				-
up to 9.99 metres (per month)	166.67	33.33	200.00	125.00
10 to 14.99 metres (per month)	333.33	66.67	400.00	250.00

<b>SERVICE DELIVERY</b>	<b>Charge</b>	<b>VAT</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
15 metres and above ( <i>per month</i> )	500.00	100.00	600.00	500.00
				-
<b>Wharfage - Hythe Quay Maldon and Burnham Pontoon</b>				-
Daily fees: vessels and multihulls	17.50	3.50	21.00	21.00
Annual fees: Available to Fully Rigged Thames Sailing barges operators only	1,787.50	357.50	2,145.00	4,290.00
(annual fee can be paid quarterly with no penalty)	446.88	89.38	536.26	1,072.50
Monthly fees: Available to Fully Rigged Thames Sailing barges operators only	164.00	32.80	196.80	393.60
Weekly Fee: as per daily rate multiplied by 7, no rate change.	122.50	24.50	147.00	147.00
240/32 Amp Supply - Daily Charge (Maldon)	4.17	0.83	5.00	4.00
Static Events on vessels using the Hythe Quay / Burnham (Daily charge)	116.67	23.33	140.00	122.00
Exclusive use of visitor pontoons Maldon / Burnham (Daily charge)	116.67	23.33	140.00	122.00
Visitor Pontoon - Weekly Winter charge Oct - April (Maldon)	58.33	11.67	70.00	51.00
				-
<b>Commercial team</b>				
Box Office services - commission rate to be set at 10% unless agreed by MDC				
Commercial Services Marketing - Price on enquiry				
				-
<b>SPLASH PARK</b>				-
Private bookings (per hour)	183.33	36.67	220.00	220.00
Private bookings (per half hour)	112.50	22.50	135.00	135.00
Changing rooms hire	11.67	2.33	14.00	14.00
Single use ticket (per 20 mins)	2.29	0.46	2.75	2.75
Towels	5.00	1.00	6.00	6.00
T-Shirts	Deleted			-
Swim Nappies	1.50	-	1.50	1.50
Bottled Water	0.67	0.13	0.80	0.80
Gold Splash park all day wrist band ticket (off peak April - June & September)	11.25	2.25	13.50	13.50
Gold Splash park all day wrist band ticket (peak season July & August) ( <i>New Charge</i> )	12.08	2.42	14.50	14.50

	Charge	VAT	2021/22	2020/21
	£	£	£	£
<b>PLANNING SERVICES</b>				
<b>BUILDING CONTROL</b>				
New dwellings	See attached - table A See attached - table B See attached - table C		13.00	-
Work to a single dwelling				
All other non-domestic work				
Copy document (completion certificate)				
<b>DEVELOPMENT CONTROL</b>				
<b>Designs and Patents Act 1989</b>				
Plan copies - per sheet: A4	0.08	0.02	0.10	0.10
A3	0.17	0.03	0.20	0.20
A2	0.83	0.17	1.00	0.80
die line	1.67	0.33	2.00	2.00
<b>Ordnance Survey Maps</b>				
Handling fee	1.67	0.33	2.00	2.00
Site plans (max 6 copies) - per extract	30.83	6.17	37.00	37.00
<b>Other Development Control</b>				
High Hedge Complaints	510.00	102.00	612.00	612.00
<b>Street Naming and Numbering</b>				
Adding / removing a name	47.10	-	47.10	0.00
Renaming / renumbering a property	47.10	-	47.10	41.00
Naming / numbering 1-5 properties (per property) inc flats*	70.00	-	70.00	41.00
Naming / numbering 6-25 properties (per property) inc flats*	31.00	-	31.00	31.00
Naming / numbering 26-75 properties (per property) inc flats*	26.00	-	26.00	26.00
Naming / numbering 76+ properties (per property) inc flats*	20.00	-	20.00	20.00
Naming a street (per street)**	102.00	-	102.00	102.00
Change to development after notification	51.00	-	51.00	51.00
Street renaming at residents request	153.00	-	153.00	153.00
Written confirmation of postal address details	0.00	-	0.00	0.00
* numbers include dwellings within developments with new streets				
** number of new street names only				
<b>LAND CHARGES</b>				
<i>Premises exempt as per legislation: church halls, village halls &amp; non-commercial venues</i>				
CON29 (part 1): standard fee	125.83	25.17	151.00	148.00
additional fee for non-residential searches	23.33	4.67	28.00	27.00
LLC1	23.00	-	23.00	22.00
additional fee for non-residential searches	34.17	6.83	41.00	40.00
CON29O (part 2) enquiry - per question: Q4-5 only (if purchased with full search)	15.83	3.17	19.00	18.00
Q6-21	15.83	3.17	19.00	18.00
Q22 only	23.33	4.67	28.00	27.00
Additional enquiry	33.33	6.67	40.00	39.00
Additional parcel of land LLC1	5.00	-	5.00	5.00
Additional parcel of land CON29	15.83	3.17	19.00	18.00
Copy of duplicate search	10.00	2.00	12.00	12.00
Search confirmation (up to 3mths old)	10.00	2.00	12.00	12.00
<b>Personal Searches</b>				
CON29R standard enquiry (when viewed in person)	Free		23.00	Free
Local land charges register (in person): print out				Free
view				Free
Local land charges LLC1 certificated	23.00	-	23.00	22.00

## Planning Services Pre-Application Fees and Charges 2021/22

	Further Details	Cost (£)	VAT (£)	Total (£)
Householder development (Duty Planner)	Only available for non-Complex Householder advice. This would include extensions to single dwellings, porches, garages, outbuildings and walls and fences. (No written advice).	Free		Free
Householder development (Written advice)	Includes proposals to alter and extend individual houses and flats for residential purposes where the development relates to a building which is not listed as being of architectural or historic interest. In cases where the house or flat is listed then the charge will fall within Minor Development.	90.83	18.17	109.00
Householder development (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals to alter and extend individual houses and flats for residential purposes where the development relates to a building which is not listed as being of architectural or historic interest. In cases where the house or flat is listed then the charge will fall within Minor Development.	172.50	34.50	207.00
Smallscale commercial development (Written advice)	Includes proposals for:  Change of use up to 200m2 Extensions to commercial properties under 50m2 1-3 Advertisements Amendments to Previously Approved Schemes	90.83	18.17	109.00
Smallscale commercial development (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals for:  Change of use up to 200m2 Extensions to commercial properties under 50m2 1-3 Advertisements Amendments to Previously Approved Schemes	172.50	34.50	207.00
Minor development (Written advice)	Includes proposals for:  1-4 residential units or gross external floorspace of up to 499m2 Change of use between 200 and 499m2 Extensions to commercial properties over 50m2 Over three advertisements Public Art Telecommunications Equipment Air Conditioning / Ventilation Equipment Amendments to Previously Approved Schemes	228.33	45.67	274.00
Minor development (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals for:  1-4 residential units or gross external floorspace of up to 499m2 Change of use between 200 and 499m2 Extensions to commercial properties over 50m2 Over three advertisements Public Art Telecommunications Equipment Air Conditioning / Ventilation Equipment Amendments to Previously Approved Schemes	512.50	102.50	615.00
Medium development (Written advice)	Includes proposals for:  5-9 residential units or gross external floorspace of 500-999m2	341.67	68.33	410.00
Medium development (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals for:  5-9 residential units or gross external floorspace of 500-999m2	570.00	114.00	684.00
Major development (Written advice)	Includes proposals for: 10-20 residential units Non-residential development with a gross external floorspace over 1,000m2	570.00 (Plus additional £21 +VAT per dwelling to a maximum of 74 dwellings)	114.00	684.00

Major development (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals for:  10-20 residential units  Non-residential development with a gross external floorspace over 1,000m2	1,140.00	228.00	1,368.00
(Plus additional £21 +VAT per dwelling to a maximum of 74 dwellings)				
Strategic Proposals (Planning Performance Agreements) (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals for:  Any application of 75 dwellings or more dwellings; or any outline residential development proposals whose site is 2 hectares or more.  Any residential proposal promoted as an allocated site within the LDP. Any 100% Affordable Housing proposals of six dwellings or 0.3ha or more in outline form. Any non-residential development proposal, whose floor area is 1,500 square metres or more or whose site area is 2 hectares or more. Any non-residential proposals relating to development proposals allocated within the LDP. Any retail development 1,000 square meters or more or which of 250 square metres or more and is proposed to be beyond existing town centres as defined in the local plan or emerging LDP. Any mixed use development proposals whose site area is 2 hectares or more, or is of 75 dwellings or 1,000 square metres commercial floor area or more. Wind Turbines Any wind energy proposals whose output capacity is 1Mw or more or which proposes three or more turbines of 30m or more. Any Solar energy proposals whose output capacity is 1Mw or more or which proposes 4,000 or more solar panels. Energy from Waste Scheme which is 1KW capacity or more.	Individually determined at full cost recovery		
Minor Alterations to Listed Building (Written advice)	Only available for very minor and non-Complex advice. This would include replacement windows.  This only relates to development that does not fall within any category above. In those instances where it does the higher fee will be required.	68.33	13.67	82.00
Alterations/Extension to Listed Building (Written advice)	Includes proposals for:  Alterations to a listed building Extensions and additions to a listed building Demolition of an unlisted building within a conservation area  This only relates to development that does not fall within any category above. In those instances where it does the higher fee will be required.	228.33	45.67	274.00
Alterations/Extension to Listed Building (Meeting* with Planning Officer of no more than one hour and written advice)	Includes proposals for:  Alterations to a listed building  Extensions and additions to a listed building Demolition of an unlisted building within a conservation area  This only relates to development that does not fall within any category above. In those instances where it does the higher fee will be required.	555.83	111.17	667.00
Development in a Conservation Area (Written Advice )	This only relates to development that does not fall within any category above. In those instances where it does the higher fee will be required.	172.50	34.50	207.00
Development in a Conservation Area (Meeting* with Planning Officer of no more than one hour and written advice)	This only relates to development that does not fall within any category above. In those instances where it does the higher fee will be required.	500.83	100.17	601.00
Minor Tree advice (Tree within a conservation area only) (Written advice)	Includes proposals for: Works to 1-4 individually listed trees	68.33	13.67	82.00

Minor Tree advice (TPOs only) (Written advice)	Includes proposals for: Works to 1-4 individually listed trees Replacement of 1-4 individually listed trees	90.83	18.17	109.00
Minor Tree advice (TPOs only) (Meeting* with appropriate Officer of no more than one hour and written advice)	Includes proposals for:  Works to 1-4 individually listed trees Replacement of 1-4 individually listed trees	228.33	45.67	274.00
Major Tree advice (TPOs only) (Meeting* with appropriate Officer of no more than one hour and written advice)	Includes proposals for:  Works to 5 or more individually listed trees Replacement of 5 or more individually listed trees Works to trees within an area protected under a Tree Preservation Order Works to trees within a woodland protected under a Tree Preservation Order	456.67	91.33	548.00
Inspection of compliance with Enforcement Notice	Written confirmation that an enforcement notice has been complied with.	228.33	45.67	274.00
Compliance with Condition requests	Includes, but not exclusively:  Written confirmation that a condition(s) has been complied with Written confirmation that a condition(s) has been discharged	172.50	34.50	207.00
Compliance with S.106 Agreement requests	Written confirmation that all/some S.106 obligations have been agreed  per obligation	114.17	22.83	137.00
Planning History requests	Includes, but not exclusively:  Written confirmation of any restrictions imposed on a site on a site. Confirmation of authorised use of a site Confirmation of an absence of an agricultural occupancy condition	172.50	34.50	207.00

\*All pre-application and advice Meeting\*s will be held at the Council Offices. However, if it is agreed necessary to convene a Meeting\* on site, travel time to and from the site will be charged at the hourly Meeting rate. Officers are unable to hold a site Meeting\* without the prior deposit of plans or written proposals.

**TABLE A - NEW DWELLINGS**  
**2021/22**

Dwelling-houses and Flats not exceeding 300m2

**Please note that the Charges marked with an \* have been reduced** to reflect where controlled electrical installations are being carried out, tested and certified by a registered Part P electrician. If these reductions are claimed and a self certifying electrician is not subsequently employed, the applicant will be invoiced for supplementary charges equivalent to the discount (see D14 below)

VAT rate **20.0%**

Code	Bungalows or Houses less than 4 storeys		Plan Charge	Inspection Charge *	Building Notice Charge*	Regularisation Charge*
H01	1 Plot	Net	199.00	498.00	767.00	977.00
		VAT	39.80	99.60	153.40	-
		Total	238.80	597.60	920.40	977.00
H02	2 Plots	Net	299.00	797.00	1,206.00	1,535.00
		VAT	59.80	159.40	241.20	-
		Total	358.80	956.40	1,447.20	1,535.00
H03	3 Plots	Net	349.00	1,096.00	1,589.00	2,023.00
		VAT	69.80	219.20	317.80	-
		Total	418.80	1,315.20	1,906.80	2,023.00
H04	4 Plots	Net	399.00	1,395.00	1,973.00	2,511.00
		VAT	79.80	279.00	394.60	-
		Total	478.80	1,674.00	2,367.60	2,511.00
H05	5 Plots	Net	448.00	1,694.00	2,357.00	3,000.00
		VAT	89.60	338.80	471.40	-
		Total	537.60	2,032.80	2,828.40	3,000.00
	Flats					
F01	1	Net	199.00	498.00	767.00	977.00
		VAT	39.80	99.60	153.40	-
		Total	238.80	597.60	920.40	977.00
F02	2	Net	299.00	648.00	1,041.00	1,325.00
		VAT	59.80	129.60	208.20	-
		Total	358.80	777.60	1,249.20	1,325.00
F03	3	Net	349.00	797.00	1,261.00	1,604.00
		VAT	69.80	159.40	252.20	-
		Total	418.80	956.40	1,513.20	1,604.00
F04	4	Net	399.00	947.00	1,480.00	1,883.00
		VAT	79.80	189.40	296.00	-
		Total	478.80	1,136.40	1,776.00	1,883.00
F05	5	Net	448.00	1,096.00	1,699.00	2,162.00
		VAT	89.60	219.20	339.80	-
		Total	537.60	1,315.20	2,038.80	2,162.00
	Conversion to					
V01	Single Dwelling-House	Net	199.00	598.00	877.00	1,116.00
		VAT	39.80	119.60	175.40	-
		Total	238.80	717.60	1,052.40	1,116.00
V02	Single Flat	Net	199.00	498.00	767.00	977.00
		VAT	39.80	99.60	153.40	-
		Total	238.80	597.60	920.40	977.00
	Notifiable electrical work		(where applicable, in addition to the above, per dwelling)			
D14	(Where a satisfactory certificate will <b>not</b> be issued by a Part P registered electrician)	Net	This charge relates to a first fix pre-plaster inspection and final testing on completion. For Regularisation application a full appraisal and testing will be carried out.		209.00	266.00
		VAT			41.80	-
		Total			250.80	266.00

Where Standard Charges are not applicable please contact Building Control on 01621 876235



TABLE B - WORK TO A SINGLE DWELLING

2021/22

Limited to work not more than 3 storeys above ground level

Please note that the Charges marked with an \* have been reduced to reflect where controlled electrical installations are being carried out, tested and certified by a registered Part P electrician. If these reductions are claimed and a self certifying electrician is not subsequently employed, the applicant will be invoiced for supplementary charges equivalent to the discount (see D14 below)

VAT rate 20.0%

Code	Extension & New Build		Full Plans		Full Plans - Multiple work reductions only **		Building Notice Charge *	Multiple work reductions only Building Notice Charge * at 50% reduced rate **	Regularisation Charge *
			Plan Charge	Inspection Charge *	Plan Charge at 50% reduced rate**	Inspection Charge * at 50% reduced rate **			
D01	Separate single storey extension with floor area not exceeding 40m²	Net	199.00	399.00	100.00	200.00	658.00	329.00	837.00
		VAT	39.80	79.80	20.00	40.00	131.60	65.80	-
		Total	238.80	478.80	120.00	240.00	789.60	394.80	837.00
D02	Separate single storey extension with floor area exceeding 40m² but not exceeding 100m²	Net	199.00	498.00	100.00	249.00	767.00	384.00	977.00
		VAT	39.80	99.60	20.00	49.80	153.40	76.80	-
		Total	238.80	597.60	120.00	298.80	920.40	460.80	977.00
D03	Separate extension with some part 2 or 3 storeys in height and a total floor area not exceeding 40m²	Net	208.00	448.00	104.00	224.00	722.00	361.00	918.00
		VAT	41.60	89.60	20.80	44.80	144.40	72.20	-
		Total	249.60	537.60	124.80	268.80	866.40	433.20	918.00
D04	Separate extension with some part 2 or 3 storeys in height and a total floor area exceeding 40m² but not ex 100m²	Net	216.00	598.00	108.00	299.00	895.00	448.00	1,139.00
		VAT	43.20	119.60	21.60	59.80	179.00	89.60	-
		Total	259.20	717.60	129.60	358.80	1,074.00	537.60	1,139.00
D05	A building or extension comprising SOLELY of a garage, carport or store - total floor area not exceeding 100m²	Net	199.00	233.00	100.00	117.00	475.00	238.00	605.00
		VAT	39.80	46.60	20.00	23.40	95.00	47.60	-
		Total	238.80	279.60	120.00	140.40	570.00	285.60	605.00
D06	Detached non-habitable domestic building with total floor area not exceeding 50m²	Net	199.00	299.00	100.00	150.00	548.00	274.00	698.00
		VAT	39.80	59.80	20.00	30.00	109.60	54.80	-
		Total	238.80	358.80	120.00	180.00	657.60	328.80	698.00
	Conversions								
D07	First floor & second floor loft conversions	Net	199.00	399.00	100.00	200.00	658.00	329.00	837.00
		VAT	39.80	79.80	20.00	40.00	131.60	65.80	-
		Total	238.80	478.80	120.00	240.00	789.60	394.80	837.00
D08	Other work (e.g. garage conversions)	Net	199.00	199.00	100.00	100.00	438.00	219.00	558.00
		VAT	39.80	39.80	20.00	20.00	87.60	43.80	-
		Total	238.80	238.80	120.00	120.00	525.60	262.80	558.00
	Alterations (including underpinning)								
D09	Renovation of a thermal element	Net	100.00	100.00	50.00	50.00	219.00	110.00	279.00
		VAT	20.00	20.00	10.00	10.00	43.80	22.00	-
		Total	120.00	120.00	60.00	60.00	262.80	132.00	279.00
D10	Replacement of windows, roof lights, roof windows or external glazed doors	Net	100.00	100.00	50.00	50.00	219.00	110.00	279.00
		VAT	20.00	20.00	10.00	10.00	43.80	22.00	-
		Total	120.00	120.00	60.00	60.00	262.80	132.00	279.00
D11a	Cost of work not exceeding £2,000 (Incl Renewable Energy systems)	Net	100.00	149.00	50.00	75.00	274.00	137.00	349.00
		VAT	20.00	29.80	10.00	15.00	54.80	27.40	-
		Total	120.00	178.80	60.00	90.00	328.80	164.40	349.00
D11	Cost of work exceeding £2,001 & not exceeding £5,000 (Incl Renewable Energy systems)	Net	149.00	199.00	75.00	100.00	384.00	192.00	488.00
		VAT	29.80	39.80	15.00	20.00	76.80	38.40	-
		Total	178.80	238.80	90.00	120.00	460.80	230.40	488.00
D12	Cost of work exceeding £5,001 & not exceeding £25,000	Net	199.00	332.00	100.00	166.00	585.00	293.00	744.00
		VAT	39.80	66.40	20.00	33.20	117.00	58.60	-
		Total	238.80	398.40	120.00	199.20	702.00	351.60	744.00
D13	Cost of work exceeding £25,001 & not exceeding £100,000	Net	249.00	498.00	125.00	249.00	822.00	411.00	1,046.00
		VAT	49.80	99.60	25.00	49.80	164.40	82.20	-
		Total	298.80	597.60	150.00	298.80	986.40	493.20	1,046.00
Notifiable Electrical work (in addition to the above, where applicable)									
D14	(Where a satisfactory certificate will not be issued by a Part P registered electrician)	Net	This charge relates to a first fix pre-plaster inspection and final testing on completion. For Regularisation application a full appraisal and testing will be carried out.				350.00	n/a	447.00
		VAT					70.00	n/a	-
		Total					420.00	n/a	447.00

**\*\*Multiple work reductions.** Where the proposed works consist of more than one of the above elements then the appropriate charge is calculated by paying the full amount for the most expensive element and only 50% for the other applicable elements with the exception of D14 electrical Works

Where Standard Charges are not applicable please contact Building Control on 01621 876235

**TABLE C - ALL OTHER NON-DOMESTIC WORK**  
**2021/22**

Limited to work not more than 3 storeys above ground level

VAT rate **20.0%**

Code	Extensions and New Build		Plan Charge	Plan Charge at 50% reduced rate** (for multiple works only)	Inspection Charge	Inspection Charge * at 50% reduced rate ** (for multiple works only)	Regularisation Charge
<b>N01</b>	Single storey with floor area not exceeding 40m2	Net	208.00	104.00	399.00	200.00	849.00
		VAT	41.60	20.80	79.80	40.00	-
		<b>Total</b>	<b>249.60</b>	<b>124.80</b>	<b>478.80</b>	<b>240.00</b>	<b>849.00</b>
<b>N02</b>	Single storey with floor area not exceeding 40m2 but not exceeding 100m2	Net	233.00	117.00	515.00	258.00	1,046.00
		VAT	46.60	23.40	103.00	51.60	-
		<b>Total</b>	<b>279.60</b>	<b>140.40</b>	<b>618.00</b>	<b>309.60</b>	<b>1,046.00</b>
<b>N03</b>	With some part 2 or 3 storey in height and a total floor area not exceeding 40m2	Net	249.00	125.00	565.00	283.00	1,139.00
		VAT	49.80	25.00	113.00	56.60	-
		<b>Total</b>	<b>298.80</b>	<b>150.00</b>	<b>678.00</b>	<b>339.60</b>	<b>1,139.00</b>
<b>N04</b>	With some part 2 or 3 storey in height and a total floor area exceeding 40m2 but not exceeding 100m2	Net	266.00	133.00	648.00	324.00	1,279.00
		VAT	53.20	26.60	129.60	64.80	-
		<b>Total</b>	<b>319.20</b>	<b>159.60</b>	<b>777.60</b>	<b>388.80</b>	<b>1,279.00</b>
	<b>Alterations</b>						
<b>N05</b>	Cost of work not exceeding £5,000	Net	149.00	75.00	149.00	75.00	419.00
		VAT	29.80	15.00	29.80	15.00	-
		<b>Total</b>	<b>178.80</b>	<b>90.00</b>	<b>178.80</b>	<b>90.00</b>	<b>419.00</b>
	Replacement of windows, roof lights, roof windows or external glazed doors (not exceeding 20 units)	Net	149.00	75.00	149.00	75.00	419.00
		VAT	29.80	15.00	29.80	15.00	-
		<b>Total</b>	<b>178.80</b>	<b>90.00</b>	<b>178.80</b>	<b>90.00</b>	<b>419.00</b>
	Renewable Energy systems (not covered by an appropriate competent persons scheme)	Net	149.00	75.00	149.00	75.00	419.00
		VAT	29.80	15.00	29.80	15.00	-
		<b>Total</b>	<b>178.80</b>	<b>90.00</b>	<b>178.80</b>	<b>90.00</b>	<b>419.00</b>
	Installation of new shop front	Net	149.00	75.00	149.00	75.00	419.00
		VAT	29.80	15.00	29.80	15.00	-
		<b>Total</b>	<b>178.80</b>	<b>90.00</b>	<b>178.80</b>	<b>90.00</b>	<b>419.00</b>
<b>N06</b>	Cost of work exceeding £5,000 & not exceeding £25,000	Net	199.00	100.00	199.00	100.00	558.00
		VAT	39.80	20.00	39.80	20.00	-
		<b>Total</b>	<b>238.80</b>	<b>120.00</b>	<b>238.80</b>	<b>120.00</b>	<b>558.00</b>
	Replacement of windows, roof lights, roof windows or external glazed doors (exceeding 20 units)	Net	199.00	100.00	199.00	100.00	558.00
		VAT	39.80	20.00	39.80	20.00	-
		<b>Total</b>	<b>238.80</b>	<b>120.00</b>	<b>238.80</b>	<b>120.00</b>	<b>558.00</b>
	Renovation of thermal elements	Net	199.00	100.00	199.00	100.00	558.00
		VAT	39.80	20.00	39.80	20.00	-
		<b>Total</b>	<b>238.80</b>	<b>120.00</b>	<b>238.80</b>	<b>120.00</b>	<b>558.00</b>
	Installation of a Raised Storage Platform within an existing building	Net	199.00	100.00	199.00	100.00	558.00
		VAT	39.80	20.00	39.80	20.00	-
		<b>Total</b>	<b>238.80</b>	<b>120.00</b>	<b>238.80</b>	<b>120.00</b>	<b>558.00</b>
<b>N07</b>	Cost of works exceeding £25,000 & not exceeding £100,000	Net	299.00	150.00	399.00	200.00	977.00
		VAT	59.80	30.00	79.80	40.00	-
		<b>Total</b>	<b>358.80</b>	<b>180.00</b>	<b>478.80</b>	<b>240.00</b>	<b>977.00</b>
	Fit out of building up to 100m2	Net	299.00	150.00	399.00	200.00	977.00
		VAT	59.80	30.00	79.80	40.00	-
		<b>Total</b>	<b>358.80</b>	<b>180.00</b>	<b>478.80</b>	<b>240.00</b>	<b>977.00</b>

**Multiple work reductions.** Where the proposed works consist of more than one of the above elements then the appropriate charge is calculated by paying the full amount for the most expensive element and only 50% for the other applicable elements.

Where Standard Charges are not applicable please contact Building Control on 01621 876235

## Summary of Changes

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### Reduced Fees

As recommended by Strategy & Resources Committee, -50%

Wharfage Fees

### No Change

Deemed unsuitable to raise fees at this time:

ASB  
Clean Neighbourhoods  
Contaminated Land  
Litter Penalties  
Pest Control  
Refuse Collection  
Recycling - New Properties  
Street Cleansing  
Cemeteries  
Off Street Parking  
Parks & Sports Pitches  
Splash Park  
Development Control

### Inflation Increases

Inflation increase based on October's CPI figure of 0.7%:

Gambling  
Sex Establishments  
Refuse Collection  
Funfairs & Circuses  
Parks & Open Spaces  
Parks & Sports Pitches

### Above Inflation Increases

Mainly due to cost recovery purposes or increasing demand:

Licensing of houses in multiple occupation  
Food, Safety & Hygiene  
Licensing  
Mobile Homes Act  
Scrap Metal Dealers  
Domestic Refuse  
Recycling - Green Bins & Waste  
Other Council owned Land Hire for Concessions  
Moorings  
Wharfage Events  
Land Charges

### New Charges replacing Old Charges

Designed to be more relevant/clearer rather than to increase income

Stray Dogs  
Cemeteries

### New Charges

Necessary as not currently listed

Repairing vehicle on a road  
Licensing of houses in multiple occupation

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## **REPORT of DIRECTOR OF RESOURCES**

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**to  
COUNCIL (EXTRAORDINARY)  
23 FEBRUARY 2021**

### **MEDIUM-TERM FINANCIAL STRATEGY 2021 / 22 TO 2023 / 24**

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

- 1.1 To present the revised Medium-Term Financial Strategy for 2021 / 22 to 2023 / 24 to the Council.

#### **2. RECOMMENDATION**

That the Medium-Term Financial Strategy for 2021 / 22 to 2023 / 24 at **APPENDIX 1** be agreed by the Council.

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

- 3.1 The Medium-Term Financial Strategy (MTFS) sets out how the Council will manage its revenue finances up to the 2023 / 24 financial year. The MTFS supports the delivery of the Council's objectives and priorities as set out in the Council's Corporate Plan.
- 3.2 This MTFS builds on the MTFS for 2020 / 21 to 2023 / 24 that was approved by the Council on 13 February 2020, which was subsequently updated for the impact of the COVID-19 pandemic and presented to Council on 16 July 2020. The current MTFS now covers the financial years 2021 / 22 to 2023 / 24 and is at **APPENDIX 1**.
- 3.3 There remains a great level of uncertainty around the global economy, particularly with an ongoing pandemic, and the impact this will have on the Council's finances, especially Council Tax and Business Rates. Therefore, the MTFS will need to be regularly updated and kept under review.

#### 4. MEDIUM TERM FINANCIAL STRATEGY 2021 / 22 TO 2023 / 24

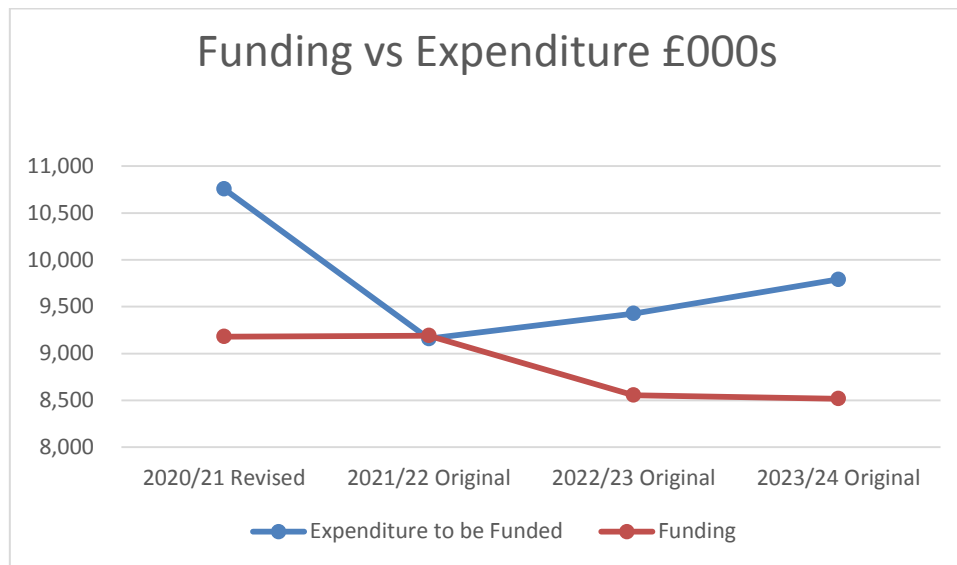
- 4.1 A review of budgets has been undertaken to identify changes required from the 2020/21 budget. The updated MTFS is attached at **APPENDIX 1** and a summary of the budget changes are provided in the following table.

**Table 1 – MTFS Summary**

	<b>2020/21 Original £000</b>	<b>2020/21 Revised £000</b>	<b>2021/22 Original £000</b>	<b>2022/23 Original £000</b>	<b>2023/24 Original £000</b>
Prior Year Exp to be Funded	8,944	8,944	9,945	11,916	11,899
Inflationary Pressures	361	361	346	356	364
Cost Pressures, Repairs and Renewals	566	1,445	289	0	0
Pension Adjustment			242	0	0
Growth			1,094	-373	-165
Income, Fees and Charges	74	573	0	0	0
Cost of Services	<b>9,945</b>	<b>11,319</b>	<b>11,916</b>	<b>11,899</b>	<b>12,098</b>
Investment Income	-283	-211	-133	-133	-133
Forward Funding of Pension Fund Deficit	1,556	1,556	0	0	1,556
Pension Fund Adjustment	622	380	0	0	0
Statutory Adjustments	-2,292	-2,313	-2,330	-2,330	-2,330
Contribution to Reserves	504	704	520	520	-1,036
Contribution from Reserves for Growth		-678	-793	-508	-343
Contribution from Reserves for Collection Fund Deficit	0	0	-163	0	0
<b>Expenditure to be Funded</b>	<b>10,052</b>	<b>10,757</b>	<b>9,017</b>	<b>9,448</b>	<b>9,812</b>
Funding	9,180	9,180	9,017	8,646	8,634
<b>Gap / Funded from General Fund</b>	<b>872</b>	<b>1,577</b>	<b>0</b>	<b>802</b>	<b>1,178</b>

- 4.2 The summary shows higher expenditure than normal this year due to COVID-19 pressures, and funding, even with support and reliefs from the government, being well short and nearly doubling our estimated General Fund gap. For future years a favourable provisional local government settlement for 2021 / 22 closes the funding gap, but then over the following two years funding is in decline while, due to inflation and growth items, expenditure will increase. The result being the budget gap will continue to increase should no changes be made. Chart 1 illustrates this overleaf.

**Chart 1 – Funding vs Expenditure**



## **5. BUDGET PRESSURES**

### **5.1 Local Taxation**

- 5.1.1 A decrease in the collection of both Council Tax (from 98.3% to 97%) and business rates (from 98% to 92%) has been included in the budget, taking into account current collection rates and anticipated future performance.

### **5.2 Repairs and Renewals**

- 5.2.1 There has historically not been an on-going budget for carrying out repairs and renewals to the Council's estates and expenditure was managed through reserves. This is not sustainable, and the repairs and renewals reserve of £177,000 will likely all be utilised in the near future. Further detail on Repairs and Renewals is found at **APPENDIX 3**.

### **5.3 Capital**

- 5.3.1 Capital expenditure has been funded from the usable capital receipts reserve. Although there was a balance of £2.3m at 1 April 2020, the reserve has continued to decline over the years as income from capital receipts has not matched expenditure. This trend is expected to continue, although there will remain sufficient resources in the reserve for more than three years with current projections.

### **5.4 Local Development Plan (LDP)**

- 5.4.1 A review of the LDP is currently underway and will be funded from reserves. A review of the plan is required every five years and additional resources will need to be allocated to fund a future review.

## 5.5 External Audit

- 5.5.1 The budget has allowed for an increase in the external audit fees in response to the additional requirements placed on external auditors and is based on the latest fee letter. Government has provided an additional £15m to assist with this in 2021 / 22 but allocations have not yet been announced and no income has been included in the budget. If split between Councils by population, Maldon could receive £12,000. Another unknown is the additional resources required by the Council to prepare and respond to the increased work required by the external auditors. The final fee has yet to be confirmed.

## 5.6 Planning Enforcement

- 5.6.1 The adopted enforcement policy provided more efficient processes. However, although the current structure is fully resourced, additional staff are likely to be required to fully meet the service standards, estimated at £72,000.

## 5.7 Elections costs

- 5.7.1 Elections are due to take place in May 2021. The pandemic presents a number of challenges that will need to be overcome regarding operating in a COVID secure way. These will likely include a larger count venue and protective measures at polling stations among others. Although, additional funding from government of £31m is due to be provided it is not yet known if this will be sufficient.

## 6. GROWTHS

- 6.1 During the budget review several budget growth items were identified as being required to meet service demand and carry out Council policy. These have been scrutinised by the Strategy and Resources Committee and Finance Working Groups and reduced. The specific details of these are available at **APPENDIX 2** and are summarised in the table below:

**Table 2 – Growth Summary**

	<b>21/22 £000</b>	<b>22/23 £000</b>	<b>23/24 £000</b>	<b>Total £000</b>
<b>Funded from Reserves (one-offs)</b>				
Local Development Scheme 2020-2022	410	175	9	<b>594</b>
Local Development Plan Review	333	333	334	<b>1,000</b>
Digitisation Project	50	0	0	<b>50</b>
<b>Reserves Funded Total</b>	<b>793</b>	<b>508</b>	<b>343</b>	<b>1,644</b>
<b>Funded from Annual Budgets</b>				
Service Delivery Staffing	170	87	87	<b>344</b>
Process Improvement Staff	83	83	83	<b>249</b>
System Improvements	48	43	43	<b>134</b>
<b>Annual Budget Total</b>	<b>301</b>	<b>213</b>	<b>213</b>	<b>727</b>
<b>Grand Total</b>	<b>1,094</b>	<b>721</b>	<b>556</b>	<b>2,371</b>



## 7. RISKS FROM COVID-19

- 7.1 The pandemic has created challenges for financial forecasting, due to the uncertainty involved. The impact will continue in future years and assumptions have been made regarding what this might be although (due to the uncertainty) excluded from table 1.

**Table 3 – Risks from COVID-19 in Future Years**

Risk Areas	Possible Monetary Impacts			Assumptions
	2021/22 £000	2022/23 £000	2023/24 £000	
Leisure Centre Management Fee	486	414	222	No management fee in 2021 / 22, £72,000 the next year and £264,000 the year after.
Town Centre Car Parking	225	225	225	A sustained reduction of 25% in demand due to changing habits.
Splash Park and Beach Huts	146	0	0	Matches 2020 / 21 in 2021 / 22 then returns to pre-COVID levels.
Income from Other Events	96	0	0	Matches 2020 / 21 in 2021 / 22 then returns to pre-COVID levels.
Council Tax Sharing Agreement	69	69	35	Council tax collections remains at 2020 / 21 forecast levels and starts to recover in 2023 / 24.
<b>Total</b>	<b>1,022</b>	<b>708</b>	<b>482</b>	

- 7.2 The Government has promised to extend the Income Compensation scheme for the first quarter of 2021 / 22 but it is unclear what additional support may be provided by the government beyond that. We have not budgeted for the above risks as there is too much uncertainty around the UK getting on top of the coronavirus.
- 7.3 However, in the provisional local government settlement the following two grants were announced which we propose to keep aside as a COVID-19 contingency:
- COVID-19 Funding, £306,149
  - Lower Tier Services Grant, £65,264.

## 8. GENERAL FUND

- 8.1 When the assumed COVID-19 pressures in section 6 are combined with the pension adjustment and the forecast in table 1 of section 4, there is a significant impact on the general fund balance. However, there is a high level of uncertainty around these figures and ongoing government support, which hasn't been factored in. e.g. the current national lockdown.

**Table 4 – Projected General Fund Balance**

	<b>20/21 £000s</b>	<b>21/22 £000</b>	<b>22/23 £000</b>	<b>23/24 £000</b>
Opening General Fund Balance	5,481	3,904	3,904	3,102
Budget Gap (Table 1)	-1,577	0	-802	-1,178
<b>Closing General Fund Balance</b>	<b>3,904</b>	<b>3,904</b>	<b>3,102</b>	<b>1,925</b>

- 8.2 The projections in the above table show that next year the balance would fall below the recommended minimum of £2.6m by 2023 / 24. However, these figures could still be heavily impacted by COVID-19 pressures if they continue beyond this financial year.

## **9. CONCLUSION**

- 9.1 Medium-Term financial planning is an important component of the Council's strategic planning framework. No more so than in the current uncertain economic climate due to the global pandemic, the still unknown implications of Brexit and ongoing unprecedented financial pressures and constraints in the public sector. Key financial decisions need to be set in the context of a plan that looks beyond the next financial year. Forward planning offers the opportunity to link service and financial planning, as decisions taken on an annual basis are limited in what they can achieve.

## **10. IMPACT ON STRATEGIC THEMES**

- 10.1 The Medium-Term Financial Strategy (MTFS) provides the foundation against which the Council will strive to deliver the best possible value for money in the provision of efficient and cost-effective services across the District. Through the effective development and delivery of the Council's financial and other resource strategies it seeks to build upon past achievements as well as provide clear direction to the attainment of the Council's longer-term strategies.

## **11. IMPLICATIONS**

- (i) **Impact on Customers** – None arising directly from this report.
- (ii) **Impact on Equalities** – None arising directly from this report.
- (iii) **Impact on Risk** – The risks to the Council in respect of the available forecast resource envelope over the medium term are discussed at **APPENDIX 1**.
- (iv) **Impact on Resources (financial)** – The financial implications are set out in this report.
- (v) **Impact on Resources (human)** – None arising directly from this report.
- (vi) **Impact on the Environment** – None arising directly from this report.

Background Papers:

MTFS to the Council 13 February 2020;

MTFS Update to the Council 16 July 2020.

MTFS Update to the Strategy and Resources Committee 28 January 2021.

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**MALDON DISTRICT COUNCIL  
MEDIUM TERM FINANCIAL STRATEGY**

**2021/22 TO 2023/24**

**(FEBRUARY 2021)**



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## **1 INTRODUCTION**

- 1.1 Medium term financial planning is an important component of the Council's strategic planning framework. Key financial decisions need to be set in the context of a plan that looks beyond the current financial year. Forward planning offers the opportunity to link service and financial planning, as decisions taken on an annual basis are limited in what they can achieve.
- 1.2 The Medium-Term Financial Strategy (MTFS) provides the foundation against which the Council will strive to deliver the best possible value for money in the provision of efficient and cost-effective services across the District. Through the effective development and delivery of the Council's financial and other resource strategies it seeks to build upon past achievements as well as provide clear direction to the attainment of the Council's longer-term goals.
- 1.3 The medium-term financial planning process is an established part of the budget setting and financial review processes. It sets out a forecast of the cost of continuing provision of existing levels of service and the resources that are likely to be available to the Council over the period. It identifies any shortfalls and sets out how this will be managed. This document is reviewed at least annually; regular review and update is essential to ensure the MTFS takes full account of any changes in the Council's aspirations, strategic and service delivery priorities, changes in government legislation, financial regulation and funding streams and the general socio/economic environment that the Council operates in.
- 1.4 This MTFS reviews how the Council will manage its revenue finances up to 2023/24 and covers a five-year capital programme. The MTFS supports the delivery of the Council's 32 outcomes as set out in the Council's Corporate Plan 2019-23 and delivered and measured through the three strategic themes of Place; Community; Prosperity.
- 1.5 Underpinning the Corporate Plan are the individual service plans and several other key strategies and plans as set out below. In each case, these set out the detail of how the Council will achieve its objectives and the relevant milestones that will measure progress under the thematic strategies of Place; Community; Prosperity.
  - Information Technology Strategy
  - Workforce Development Strategy
  - Procurement Strategy
  - Risk Management Strategy
  - Treasury Management Strategy
  - Investment Strategy
  - Capital Strategy

The base position for this MTFS is the current 2020/21 budget. The development of the 2020/21 budget took place within the context of a longer term strategic and resource planning process. It took account of the latest settlement data and the uncertain economic climate. However, it did not take into account the impact of the Coronavirus Pandemic, as it was completed before the outbreak and subsequent social distancing measures imposed by the Government in March 2020.

- 1.6 Those reports concluded that the Council's future financial outlook was forecast to be more challenging over the next few years, because of continuing financial constraints in the public sector and the continued high expectation of public service delivery from the public. Council agreed on 9 August 2018 the Future Model Transformation Programme to achieve the required savings of £1.89m by 2022/23 when compared to the 2018/19 net budget. These already challenging financial targets have become significantly more challenging with the arrival of the pandemic.

## **2 OBJECTIVES**

- 2.1 The objectives of this updated Medium-Term Financial Strategy are:

- To ensure outcomes and priorities identified in the Corporate Plan inform the MTFS including importance, timing and financial implications, and reconsider them in the light of emergency measures required due to the pandemic
- To provide updated projections of spending, including spending pressures and income; and set expectations on council tax increases, over the next three years
- To provide projections for our investment in assets, (our capital expenditure) and its impact on general day to day revenue spending
- To test sensitivity of, and apply risk analysis, to projections.
- To provide a framework for consultation with the public and partners about our service priorities and resources allocated to them.



### **3 VISION FOR MALDON**

- 3.1 The MTFS aims to support the Council's overall vision for the District:

“Sustainable Council – Prosperous Future.”

### **4 LOCAL CONTEXT**

- 4.1 The Maldon District covers some 138 square miles and has a resident population of some 61,600 (2011 Census). With one of the lowest population densities in Essex, the District offers a wide range of residential properties, from period country cottages to brand new executive homes.

- 5 Maldon is an attractive and predominantly rural district. It retains an unspoilt nature and its own special character, forged largely by the principal waterways of the Blackwater and Crouch estuaries. Much of the District's 60 miles of coastline of tidal salt marshes and mudflats is recognised as of international and national environmental significance and protected as such.

**MALDON DISTRICT COUNCIL CORPORATE PLAN**

- 5.1 The Corporate Plan 2019-23 identifies all local and many national priorities.
- 5.2 The Corporate Plan will be delivered through three thematic strategies – Place, Community and Prosperity. The three thematic strategies are underpinned by a focus on ‘Performance and Value’ with the aim of providing:

- excellent services and value for money; and
- becoming a financially independent and sustainable Council in the future.

- 5.3 The aims of the thematic strategies are:

**Place:**

- A protected and improved environment for residents and visitors;
- Sustainable growth and new infrastructure in the District

**Community:**

- Healthy, safe and vibrant communities

**Prosperity:**

- Local businesses are supported and new ones are attracted into the District

- 5.4 The three thematic strategies have the detailed outcomes and impacts that the Council is seeking to achieve over the period of the Corporate Plan.
- 5.5 The Workforce Strategy sets out the key priorities for improving the way in which the Council manages its workforce to achieve the corporate targets. Our greatest asset is our employees and we must have committed skilled and empowered employees to provide the best possible service standards to the residents of the District. The Council’s new organisational structure, which went fully live from November 2019 as a result of the Future Model Transformation Programme, will deliver this aim.
- 5.6 The MTFS therefore provides the resource strategy required to deliver the priorities and outcomes set out in the Corporate Plan through the three thematic strategies.

## 6 ECONOMIC OUTLOOK

- 6.1 Due to the impact of Coronavirus, HM Treasury's economic outlook as released in the Forecasts for the UK Economy Report, December 2020, is understandably more pessimistic than the Chancellor's economic outlook as announced in Spring Statement in March 2019 and is shown in the table below. The 2020 growth of -10.9% reflects the plummeting of economic growth by 20.4% during lockdown and then approximately half of this being recovered during the remainder of the year. This is now expected to be followed by a continued yet incomplete recovery during 2021. HM Treasury have not forecast beyond 2021.

Year	Economic Growth (GDP)	
	Chancellor (March 2019)	HM Treasury (December 2020)
2018	1.4%	1.4%
2019	1.2%	1.2%
2020	1.4%	-10.9%
2021	1.6%	5.4%
2022	1.6%	N/A
2023	1.6%	N/A

- 6.2 The change of forecasts for the Consumer Prices Index (CPI<sup>1</sup>) are shown below:

Year	CPI (% change)	
	Chancellor (March 2019)	HM Treasury (December 2020)
2018	2.5%	2.5%
2019	2.1%	2.1%
2020	1.9%	0.7%
2021	2.0%	1.9%
2022	2.0%	N/A
2023	2.0%	N/A

- 6.3 In the medium term, the CPI inflation is forecast to be at or below the Bank of England's target of 2%. It is important to note that the Council's major contracts are linked to CPI as an inflationary increase with others linked to RPI. It is likely that the contractual inflation will see an increase in the council's costs in the medium term based on the forecasts.

<sup>1</sup> Chancellor's Spring Statement – March 2019

- 6.4 The Bank of England base rate was increased for the first time since 2009 in November 2017 to 0.50% from 0.25% and a further 0.25% to 0.75% in August 2018. The low levels have had a major impact on the Council's investment income. The Council is diversifying its investment portfolio to benefit from higher returns but at all times giving due regard to the security and liquidity of its funds over yields/returns. Since the MTFS reported in February 2020, the Bank of England has decreased its base rate. First down to 0.5% and then to 0.1%, due to corona virus. The interest base rate is expected to remain at this level for the foreseeable future.

## **7 GENERAL FUND REVENUE BUDGET**

### **Financial Context**

- 7.1 The development of the 2020/21 to 2023/24 Medium Term Financial Strategy took place at a time which continued to be one of the most challenging periods for Local Government. This MTFS for the period 2021/22 to 2023/24 has since become even more challenging with the onset of Coronavirus.
- 7.2 Ten years of austerity measures have led to unprecedented reductions in local authority funding. The public sector and the local government sector are under increasing and relentless pressures in respect of funding for adult social care and children's services and a significant shift of resources is taking place from non-social care authorities such as Maldon to social care authorities. Funding pressures for mental health services has also been in the news recently. Additionally, the government is progressing preparations for changing the local government finance system. All this before the financial impact of the pandemic.

Local government is transitioning away from a world where councils were dependent on central government grants and towards greater self-sufficiency.

The 2021/22 Local Government Financial Settlement was published on 4 February 2021. The result was that Maldon District Council will not receive any Revenue Support Grant but its Business Rates Pool (consisting of the Essex Councils) will retain 50% of Business Rates collected.

**Risks and Opportunities**

7.3 This section highlights the risks and opportunities facing the Council in the medium term.

- Demographic
- External Income
- Inflation
- Service Demand
- Business Rates Retention
- Other Developments
- Fairer Funding Review

**Demographic**

7.4 Demographic factors affect the Council's planning in several ways:

- Changes in the number of households affect the tax base for Council Tax purposes, and hence the total amount which will be raised from this source
- The characteristics of both population and households can help identify specific implications for the type and nature of many services provided by the Council
- All the above factors affect the level of demand for, and use of, services provided by the Council

7.5 The total population in Maldon, according to the 2014 based ONS Sub-national population projections, is projected to grow by 12%, 7,000 more people by 2039.

**External Income**

7.6 The Council relies on several external income sources. During the past few years, the economic downturn had an adverse impact on some income streams.

Several income streams to the council are at risk whereby they can be reducing year on year or subject to significant variances between years. The reasons for these are mainly outside the direct control of the Council such as macro-economic and/or seasonal conditions. These income streams are principally, from development control, building control, land charges, leisure and car parking related such as from the Splash Park and Promenade Park.

The garden waste collection service is now a significant source of income to the Council which goes to support the costs of providing the overall waste collection function, the costs of which are increasing with the growth of housing in the District.

Historically a key income stream for the council has been the income generated from investment of cash balances. The low interest rate has seen a large reduction in this income in recent years. Every 0.5% of movement in interest rates is equivalent to approximately £140k in income; however, the actual interest earned is also dependant on the level of free cash flow balances during the year.

The Council has a policy to maximise income from existing and new fees and charges where possible and practicable.

The recent social distancing measures imposed by Central Government and reduction of base interest rates by the Bank of England have had a significant adverse effect on these external income sources.

### **Inflation**

- 7.7 The financial impact of a 2% movement in pay inflation represents around a £0.153m change in the general fund employee budget. A 2.75% pay increase was approved from 1 April 2020, based on the increase in cost of living, but pay inflation is estimated to return to 2% for 2021/22 onwards.
- 7.8 For the 2021/22 budget setting process, the contract prices have been uplifted by appropriate indices as stated in the conditions of the contracts. The financial impact of a 1% movement in contractual inflation is £0.093m. No inflationary increase has been applied to the general services budget, except known specific items such as utilities.
- 7.9 For future years, the projection assumes an overall averaged inflation rate of around 0.7% for 2021/22 based on CPI and 2% in each year thereafter.

### **Service demand**

- 7.10 Under the current economic climate the pressure on the Council to deliver services within a constrained financial base remains high compared to historic levels. There is also an imposed demand by Central Government on local authorities to take a major part in revitalising the local economy whilst, at the same time, bearing a significant part of the government's overall austerity measures, via reduced funding.

- 7.11 While there has been a recent massive fall in UK growth, economic forecasts show a recovery, although the pandemic is slowing this recovery significantly. However, the increase in the demand on our services, coupled with the loss of external income, will restrict the Council's ability to make radical improvements to our discretionary services.

### 2021/22 Local Government Finance Settlement

- 7.13 The 2021/22 LGFS was announced on 4 February 2021. The table below shows Maldon's final settlement for 2021/22.

<b>Local Government Financial Settlement 2017/18 to 2021/22</b>	<b>2018/19 Final LGFS £m</b>	<b>2019/20 Final LGFS £m</b>	<b>2020/21 Final LGFS £m</b>	<b>2021/22 Final LGFS £m</b>
Settlement Funding Assessment of which:	1.474	1.508	1.532	1.532
Revenue Support Grant (RSG)	-	-	-	-
Baseline Funding Level (Business Rates)	1.474	1.508	1.532	1.532
Tariff/Top-up Adjustment	-	-	-	-
<b>Annual Change (%)</b>	<b>-7.9%</b>	<b>2.3%</b>	<b>1.6%</b>	<b>0.0%</b>
<b>Cumulative Change (%)</b>	<b>-25.0%</b>	<b>-23.2%</b>	<b>-22.0%</b>	<b>-22.00%</b>
New Homes Bonus – MHCLG	0.696	0.832	0.898	0.930
Compensation for under indexing the Business Rates multiplier	0.034	0.049	0.061	0.080
Rural Services Delivery Grant	0.031	0.031	0.031	0.032
Council Tax Requirement excluding parish precepts (incl. base growth and levels increasing by CPI)	4.635	4.809	4.982	5.292
Potential additional Council Tax from £5 referendum principle for all Districts	0.034	0.035	0.062	0.065
<b>Total Core Spending Power</b>	<b>6.904</b>	<b>7.264</b>	<b>7.566</b>	<b>7.932</b>
Change since 2018/19 (£ million)				<b>1.028</b>
Change since 2018/19 (% change)				<b>14.9%</b>

- 7.14 Over the period of the previous Spending Review the government used a new methodology to determine authorities' Revenue Support Grant (RSG) allocations. Rather than applying the same percentage cut to all authorities, the new approach considers individual authorities' council tax raising ability and the type of services they provide. The change in methodology has led to a fundamental shift of resources from authorities such as Maldon.

### **New Homes Bonus Scheme**

- 7.15 The New Homes Bonus Scheme (NHBS) was introduced in 2011/12 to encourage local authorities to facilitate housing growth. For every additional property built or brought back into use, the government match funds the additional council tax, with an additional amount for affordable homes, for the following six years. The grant is not ring-fenced and is split 80% to the lower tier and 20% to the upper tier. Previous changes to the NHBS were the introduction of a baseline housing growth of 0.4% before NHBS would be payable and a reduction in duration of legacy payments from the six years to five years and to four years. The government has announced a consultation on the future of the NHB in 2021/22. The Council will continue to receive legacy payments for previous years of £0.418m in 2021/22 and £0.198m in 2022/23. However, in the 2021/22 LGFS the government has announced a further one-off NHB payment of £0.512. In 2018/19 a NHB reserve was established which by the start of the financial year 2021/22 will total £1.3m. This will be run down by 31 March 2023 unless the current scheme is extended.

### **Pension**

- 7.17 Maldon District Council employees are eligible to be members of the Local Government Pension Scheme (LGPS), for which the Government sets the terms and conditions nationally. This is a statutory condition of employment available to all local government employees. Essex County Council is the administering authority of the LGPS in Essex. In accordance with statutory requirements the Essex Pension Fund, of which this Council is a member, was actuarially valued as at 31 March 2019 as part of the triennial valuation cycle.
- 7.18 The 2019 Valuation shows that there has been a decrease in the Council's deficit position by 35% to £5.318m. This means that the funding level of the Council's element of the Fund will have increased from 81.7% in 2016 to 90.2% in 2019. Funding levels are taken as the ratio of assets to liabilities. In general, for the 2019 valuation, funding levels have increased due to:
- Salary increases being lower than expected
  - Investment returns have been better than expected
  - Deficit contributions paid by the Council to the Fund

The recovery period for the deficit was reduced from 15 years, set at the 2016 Valuation, to 12 years or less in the 2019 Valuation, depending on the individual circumstances of the Council. The effects of the pandemic on the Pension Fund are yet to be determined.



- 7.19 The 2019 Valuation showed an increase in the employer's ongoing contribution from 15.9% of pensionable pay to 19.9% of pensionable pay (£221k). Whilst the recovery of deficits covers up to a date, an ongoing contribution rate is also needed to obtain the level of contributions required to meet the cost of new pension benefits and this is usually based on the same assumptions as are used for the deficit.
- 7.20 Automatic Enrolment has been established by the Government as a requirement for employers to provide a pension scheme for employees. The Local Government Pension Scheme (LGPS) is a qualifying scheme for the purposes of Automatic Enrolment within the terms set out by the Pension Regulator.
- 7.21 The Pensions Act 2008 includes a duty on employers to automatically enrol their eligible jobholders into a workplace pension scheme that meets certain requirements and provide a minimum employer contribution. From early 2014, the Council must have:
- Enrolled any new employees into the qualifying approved scheme;
  - Enrolled any employees who are not a member of the scheme but reach the age of 22; and
  - Enrolled any employee who is passing the rate of salary to £9,440 per annum for the first time
- 7.22 It should be noted the employee can still choose to opt out of the scheme, but the Council must not mention any option of how to opt out of the scheme during enrolment as it could be seen as an inducement not to join the scheme and could expose the council to a fine from the Pensions Regulator.

### **Universal Credits**

- 7.23 Universal Credit (UC) is being rolled out through the Welfare Reform Bill and this is the biggest shake up of the system for 60 years. UC is an integrated working-age credit that will provide a basic allowance with additional elements for children, disability, housing and caring. It will support people both in and out of work, replacing Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance. For local authorities, this means the link between Housing Benefit and Council Tax Support will be broken for working age customers and that UC will be administered by the Department of Work and Pensions.

- The digital roll out of Universal Credits for Maldon, using the newer software started in December 2018 for new claims only.
- The precise details of the full transfer date of all claims are yet unclear and the timescales have slipped on several occasions. Claimants affected by Covid-19 will have meant the rate of migration to UC will have increased recently.
- The Council would retain responsibility for Local Council Tax Support, as well as pensioner claims, and some working age claims, even after a full transfer of claims to UC. As such, the Council would retain 70-80% of existing workload even after UC has been fully introduced.

7.24 The transition to UC has had significant implications for local Council and its systems. There will continue to be a reduction in the Housing Benefit Administration Grant going forward, but this may not be proportional to the reduction in the workload or staffing. The financial impact of Universal Credits continues to be monitored on an ongoing basis.

**Land Charges (transfer of responsibility to Land Registry)**

7.24 The Infrastructure Act 2015 provided for the transfer of some of the Land Charges responsibilities from local authorities to the Land Registry. The implications for the Council are:

- Loss of local land charges income
- Incurring on-going costs for the supply of standardised accurate information related to local land charges to Land Registry to keep the register updated.
- Legal liability will rest with Local Authorities for any inaccurate information provided
- Transfer requires digital and business transformation
- Local authorities will continue to provide Con 29 searches

7.25 The timing of the transfer is still not confirmed with relevant legislation being required. There is not yet a go live date but the Council is making preparations and has put in a growth bid of £50,000 for 2021/22 to fund this.

7.26 The financial implication on the land charges transfer continues to be monitored on an ongoing basis.

### 2021/22 General Fund Budget

- 7.27 As part of the financial planning process, Members examine information provided by officers relating to the level of existing resources. All budget options are considered in the context of current service performance and priorities. Also, all the growth, savings and capital bids have gone through a challenge process, including being reviewed by the newly formed Finance Working Group.

## 8 RISK MANAGEMENT

- 8.1 Risk Management is a key feature of the Council's financial planning process.
- 8.2 The Council is very aware of the need for effective risk management and considers that the assessment and minimisation of all types of risk to be vital. It has an adopted Risk Management Strategy in place, and the financial risks to the Council are assessed in the context of the Council's overall approach to risk management.
- 8.3 To mitigate risk the Council regularly monitors its budgets. The performance management system is used by the Council to identify, monitor and reports on risks. Regular reporting of the Corporate Risks, financial and non-financial performance occurs on at least a quarterly basis to the Corporate Leadership Team and the Performance, Governance and Audit Committee, and is programmed in the annual timetable.
- 8.4 The table below summarises the financial implications if assumptions made in the MTFS change in the future. This gives some indications to the kind of risks which need to be allowed for in considering the level of reserves in future years.

<b>Estimated Financial Impact</b>			
<b>Sensitivity Scenario</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Inflation - Pay award 1% higher than assumed	0.078	0.079	0.079
Other Inflation - 1% higher than assumed	0.064	0.065	0.067
Average investment interest rate - 0.5% lower than assumed (ave £21m invested)	-0.105	-0.105	-0.105
Council Tax Collection - 1% lower than assumed	-0.052	-0.053	-0.055
NNDR Collection - 1% lower than assumed	-0.030	-0.030	-0.030

Net Operating Expenditure - 1% overspent	0.901	0.945	0.979
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## 9 COUNCIL TAX

### Council Tax

9.1 It is important to note that the Council has limited income generated from council tax. As shown in paragraph 8.4, for every 1% increase in the average Band D council tax; an additional £0.053m of income is raised. The MTFS allows an increase in the Basic Amount of Council Tax of £5 for 2021/22 and subsequently 1.99% for the rest of the MTFS period in accordance with Council Tax Referendum Principles.

### Tax base for Council tax setting

9.2 The tax base for council tax setting assumed in the MTFS is shown below:

Year	2020/21	2021/22	2022/23	2023/24
	Calculated	Projected	Projected	Projected
<b>Band D Equivalents</b>	25,090.8	24,959.9	25,159.9	25,359.9

9.3 Using past trends together with information on already approved and likely future planning applications, projected housing growth has been used to forecast the council tax-base for the period of the MTFS. The tax-base forecast has been arrived at by considering the completion dates of the strategic housing developments in the District.

9.4 A copy of the medium-term financial forecast on the general fund is attached at Appendix A.

## 10 VALUE FOR MONEY AND EFFICIENCY

10.1 Value for Money (VFM) is an assessment of whether we obtain the maximum benefit from the goods and services we both acquire and provide, within the resources available to achieve it. This assessment includes considerations about suitability, quality, whole life costs and the relationship between economy, efficiency and effectiveness.

10.2 Value for money remains an integral part of the external audit opinion. The general feedback was that the council had consolidated previous improvements and demonstrates good value for money across services.

10.3 A key part of the Council's ethos is its focus on achieving efficiencies. This is a main driver during the budget and planning process; ensuring resources are directed in the appropriate areas and is embedded across the whole authority. Services are monitored and reviewed for efficiencies with a view to identify where savings and or productivity

gains can be made. The Council is committed to delivering efficiencies to drive costs down and maintain or improve services.

Finding efficiencies year on year to deliver a balanced budget and invest in services is a significant challenge. The Council commenced the implementation of the Future Model Transformation Programme in August 2018 to achieve savings and additional income totalling £1.89m by the end of the financial year 2022/23. Of this £1m has been achieved from the salaries cost by reducing the establishment headcount from 219.5 FTE to 181.5 FTE with a new salary structure.

The Transformation Programme included, but was not limited to, the following considerations:

- Alternative delivery model of our services - where practicable and where there was a financial business case to do so
- Effective use of assets – challenging the asset base and the use of assets, and looking to manage and plan maintenance in the most effective way
- Working in partnership with both private and public bodies to improve quality and scope of service and reduce costs.
- Improving efficiency where possible - but the scale of the financial constraint will almost certainly require considerations on the number and levels of services that the Council provides.
- Exploring new areas of income generation and adopting the 'commercial council' approach
- Smarter procurement processes and ways of working.
- The Council uses several service review methods to identify efficiency savings, for example, best value reviews, benchmarking performance with other authorities, testing costs in a range of alternative service delivery options.

## **11 INCOME GENERATION**

### **Forecasting Income**

- 11.1 This section covers the income from fees and charges.

### **Policy on Fees and Charges**

- 11.2 The Council has looked to maximise the potential from fees and charges. A significant proportion of its income comes from fees and charges and a balance must be struck between meeting statutory responsibilities and the subsidy on providing discretionary services.

The Council takes the view that raising charges to recover part or all the costs of providing is preferable to removing the service completely. Charges are set after considering local circumstances and the user's ability to pay.

The Council's fees and charges will normally increase at least in line with inflation or, where appropriate statutory defined, fees and charges increase. Increased or reduced income due to volume changes, or charge proposals above or below inflation, are addressed through the budget setting process.

11.3 The full list of fees and charges is shown in the Discretionary Fees and Charges 2021/22 report to Council on 23 February 2021.

11.4 The Council's longer-term policy has three fundamental principles:

- Services should raise income wherever there is a power or duty to do so.
- The income raised should cover the full costs of providing the service including all overheads.
- Any departures from this policy must be justified in a transparent manner with reference to the Council's priorities and policies.

11.5 When the Council does not raise income in areas where it has the power to do so, it foregoes the opportunity to raise money to improve services and leaves less money available for spending on high priority services.

A decision to forego income or to subsidise a service is a policy decision about resources as significant as any decision made in the budget setting process especially since the Council is expected to be become more self-sufficient. The cost will eventually fall on the council taxpayer if the service is to be protected to any extent.

11.6 Although volumes of transactions incurring Fees and Charges are affected by Covid 19, the policies themselves are not anticipated to be altered. The Fees and Charges Policy is reported to Strategy & Resources Committee and Council separately to the MTFS.

### **Income and Debt Management**

11.7 The Council has a good history of debt collection. The Council continues to build on this to maximise income received and minimise income written off. Monitoring information has been enhanced to provide information on evaluating the effectiveness of debt recovery actions, associated costs, and the cost of not recovering debt promptly.

### **USE OF RESERVES**

12.1 The minimum General Fund Reserve is set at £2.6m. A minimum level is intended to allow sufficient resources to respond to un-forecast

events such as Coronavirus, however even during this pandemic we aim to maintain this minimum reserve as far as possible.

- 12.2 Risks to the Council's financial position could derive potentially from a budget overspend due to higher than budgeted expenditure or lower than budgeted income or a combination of both, loss of investment income, contractual/legislative failure or challenging/emergency events. Historically, the Council has had a very good record of outturn financial position being within budget and of predicting investment income well so hasn't had to make additional significant provision. However, Covid-19 has brought about an unprecedented emergency response from the Council, which will test its reserves if Central Government do not reimburse MDC for its losses. The Reserves Table in paragraph 12.4 shows that the General Fund Reserve will fall below the minimum level in 2023,24 without the use of earmarked reserves or additional government funding.
- 12.3 Equally, it is important that the use of reserves is not increasing year on year, creating an unsustainable future problem. Normally, it is a Council goal to meet the budget gap by making savings.
- 12.4 A summary of the proposed use of reserves is shown in the table below and is based on a budget projection that includes Covid-19 pressures, other pressures, aspects such as inflation, further salary increase, pension fund contributions and savings identified.

It is worth noting that the financial impact of Coronavirus is not as great as reported in July as further reliefs have since been announced by the Government, some of which have already been received, but is still significant, as shown in the table below.

\*Reported £872k plus £759k impact due to Covid-19 less net £54k improvement in position.

Predicted General Fund Balance Movement	Revised 2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000
Balance b/f				
General Fund Reserves	5,481	3,904	3,904	3,102
Earmarked Reserves	4,151	4,003	3,567	3,579
<b>Total</b>	<b>9,632</b>	<b>7,907</b>	<b>7,471</b>	<b>6,681</b>
<b>Projected Movement</b>				
General Fund Reserves	-1,577*	0	-802	-1,178
Earmarked Reserves	-148	-436	12	-1,383
<b>Total</b>	<b>-1,725</b>	<b>-436</b>	<b>-790</b>	<b>-2,561</b>
<b>Balance c/f</b>				
General Fund Reserves	3,904	3,904	3,102	1,925
Earmarked Reserves	4,003	3,567	3,579	2,196



	<b>Total</b>	<b>7,907</b>	<b>7,471</b>	<b>6,681</b>	<b>4,121</b>
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## 12 CAPITAL

### Capital spend and funding

- 13.1 The Council's Capital Programme is agreed on an annual basis and serves the following purposes:
- It sets out how capital projects contribute to the achievement of the Council's corporate objectives.
  - It establishes the criteria for the allocation of capital resources.
  - It provides a framework for the administration of capital projects and monitoring of outcomes.
- 13.2 It is important to note that all capital investment and disposal decisions have been made with reference to the strategic objectives.
- 13.3 The Council's capital programme has in general always been funded using capital receipts, external contributions or from capital grants and the current five-year capital programme is underpinned mainly by capital receipts.
- 13.4 The programmes for 2021/22 to 2025/26 have been set in detail, any schemes above this level would need to seek alternate external funds or new capital receipts from the sale of assets. However, it should be noted that the diminishing levels of capital receipts in future years would warrant a comprehensive review of the way the capital programme is supported in the long term. The indicative five-year capital programme as shown would cost the Capital Receipts Reserve a total of £1.377m. The Capital Receipts Reserve will be £1.740m from 1 April 2021 meaning more capital receipts may be required for the capital programme to continue beyond 31 March 2026. It should be noted that the capital programme for 2021/22 to 2025/26 has been developed by Officers and the Finance Working Group, and bids for asset acquisitions and improvements have been recommended by the Strategy & Resources Committee. However, the capital programme is reviewed annually and the use of capital receipts may change over the period and may be required sooner.
- 13.5 Although the Capital Projects report is a separate report to Council, a summary of the programme and funding is given at Appendix B.



### Revenue implications of capital programme

- 13.6 The key driver for the Council's approach to capital expenditure is revenue affordability.
- 13.7 Most Capital Projects have financial implications on the annual Revenue Budget. The revenue implications can take a variety of forms and they include:
- Capital financing costs
  - Loss of investment income
  - Annual non-capital financing costs, e.g.
    - Salaries
    - Rent
    - Rates
    - Energy costs
    - On-going maintenance costs
    - Income generated from the scheme or project
- 13.8 The revenue implications of the previously approved capital programme have been built into this MTFS. For the proposed future capital programme, there are no revenue implications for 2021/22 and any revenue implications beyond that will be built in upon approval.
- 13.9 However, there have been new maintenance issues identified relating to the existing capital assets. These are known as Repairs & Renewals, some of which are essential to avoid service failure and others are to improve service levels. A list of bids for these works are set out at **APPENDIX 3** to the report.

Members need to be aware that 2021/22 repairs and renewals bids recommended by the Finance Working Group total £128k with £217k further bids to be considered during 2021/22, but there is currently only £203k in the repairs and renewals earmarked reserves. Therefore, the approved 2021/22 repairs and renewal work will not draw down from this reserve at this stage. This will allow the reserves to cover any emergency repairs and renewals that may emerge.

## **13 TREASURY MANAGEMENT LINKS WITH FINANCIAL STRATEGY**

- 14.1 The Council will continue to invest in accordance with the approved Treasury Management Strategy and will plan any consideration of borrowing closely through the MTFS and five-year Capital Budget.
- 14.2 Investment income is used to support the budgets of the authority and movements in interest rates can result in significant changes. Since the MTFS reported in February 2020, the Bank of England has decreased

its base rate down to 0.1%, following the arrival of Coronavirus in the UK. This is expected to reduce MDC's investment income by more than 50% for the foreseeable future.

## **14 EQUALITY IMPACT ASSESSMENTS (EIA)**

- 15.1 The council is committed to ensuring equality and diversity issues are given proper consideration. Equality Impact Assessments form an important part of our decision making to enable us to assess the impact of decisions on our residents, stakeholders and customers. Where the impact is high mitigation plans can be developed to reduce that impact of decisions. These are completed in accordance with national guidance and best practice.

## **15 CONCLUSION**

- 16.1 The MTFS should be considered in the context of the following issues:
- The impact of Covid-19 since government and local measures were imposed from March 2020, many of which will remain in place for many months to come.
  - The unprecedented reductions to local government funding since the 2010 Comprehensive Spending Review.
  - The Council's current satisfactory financial strength as shown by the General Fund reserves, robust financial management and excellent track record in achieving efficiency savings.
  - That challenging decisions will still need to be made to safeguard frontline services and maintain a balanced budget together with an adequate level of General Fund reserves.
  - That the Usable Capital Receipts Reserve will be fully utilised over the MTFS period but bearing in mind the comment in paragraph 13.4 above.
- 16.2 The financial position over the medium term is shown in Appendix A. This also shows that the level of General Fund un-ringfenced reserves is not expected to remain above the minimum level of balance of £2.6m over the medium term to 31 March 2024. This needs to be considered in the context that for 2021/22 – 2023/24 budget estimates have been constructed with great economic uncertainty, high level assumptions and the detailed work will be undertaken in line with the Council's budget cycle timetable for those years and taking into account the further government grants announced at the time.

### List of Appendices

Appendix A sets out medium term projections for the General Fund (below)

Appendix B sets out the medium-term projections for Capital (below)

Appendix C shows the Policy on reserves and balances (below)

APPENDIX 2 shows the a of proposed Budget Growth items 2021/22 to 2023/24 (separate document)

APPENDIX 3 shows a list of proposed Repairs and Renewals items 2021/22 to 2023/24 (separate document)

**Appendix A - Medium Term Financial Strategy 2021/22 - 2023/24**

	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Prior Year Net Expenditure Before Reserves	9,945	11,916	11,899
Pension Fund Statutory Adjustment	242		
Car Parking Fees			
Other fees and charges	21		
Staff Inflation	215	155	158
Non-Staff inflation	110	201	206
<i>Pressures:</i>			
Reversal of Prior Year Growth	-100		
Unachievable Savings	133		
Increase in external audit fees	50		
Reduced recycling income	20		
Reduction in HB Admin Grant	20		
Town Centre Car Parks card processing fee	19		
Electronic Payment Processing Fees	14		
Recycling sacks Food	5		
<i>Repairs &amp; Renewals:</i>			
Prom Park Galleon	15		
Boat lake decking replacement	20		
Replacement power unit / board in the plant room	15		
District Parks - replacement steps	18		
Replacement fencing works at parks & playsites at Riverside Park	20		
Playsite sand / bark top ups	20		
Memorial Safety	20		
<i>Growth Items:</i>			
Safeguarding System	3		
Emergency Planning System	4		
Toilet cleaning contract	5	-5	
Revs and Bens Specialist	10		
Housing Register system	11		
Public Engagement Software	25		
Commercial L1 Caseworker	27		
Parks & Countryside Officer	27	-27	
Customer, Community and Casework Lead	50		

Project Manager	56	-56	
Continue process improvement team	83		
<i>Projects Funded from Earmarked Reserves:</i>			
Land Charges Registry Project	50	-50	
Local Development Scheme 2020-2022	410	-235	-166
LDP Review	333		1
<b>Net Cost of Services</b>	<b>11,916</b>	<b>11,899</b>	<b>12,098</b>
Pension Fund Deficit Contribution			1,556
Investment Income	-133	-133	-133
Statutory Adjustments	-2,330	-2,330	-2,330
<b>Net Expenditure Before Reserves</b>	<b>9,453</b>	<b>9,436</b>	<b>11,191</b>
Contributions to/(from) Earmarked Reserves	-436	12	-1,379
<b>Expenditure to Be Funded</b>	<b>9,017</b>	<b>9,448</b>	<b>9,812</b>
<b>Funding</b>			
New Homes Bonus	-930	-198	0
Rural Services Delivery Grant	-32	-32	-32
Compensation for NNDR under-indexing	-80	0	0
Local Council Tax Support	-88	0	0
Renewable Energy	-744	-756	-768
Business Rates Baseline Funding	-1,532	-1,557	-1,582
Business Rates Growth incl S31	-987	-987	-987
Business Rates levy/benefit	205	205	205
CTAX and NDR collection fund (surplus) / deficit	347	0	0
Estimated Yield from Council Tax	-5,176	-5,322	-5,471
<b>Total Funding</b>	<b>-9,017</b>	<b>-8,646</b>	<b>-8,634</b>
<b>Budget Gap</b>	<b>0</b>	<b>802</b>	<b>1,178</b>
<i>Potential COVID Pressures:</i>			
Leisure Centre Management Fee	486	414	222
Town Centre Car Parking	225	225	225
Promenade Park Events & Activities	146	0	0
Income from Other Events	96	0	0
Council Tax Sharing Agreement	69	69	35
<b>Budget Gap with COVID Pressures</b>	<b>1,022</b>	<b>1,510</b>	<b>1,660</b>

## Appendix B – Capital Programme

<b>Capital Programme 2020/21 - 2023/24</b>					
<b>Project Title</b>	<b>Original</b>	<b>Original</b>	<b>Original</b>	<b>Original</b>	<b>Original</b>
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Vehicle &amp; Plant Replacement</b>					
Parks Vehicle - Rolling replacement programme	56	22	22	22	22
Cemetery dumper truck		18			
<b>Information &amp; Communication Technology</b>					
PC and Printer Replacement Programme	47	47	47	47	47
<b>Maldon Promenade</b>					
Installation of outdoor gym equipment / zone		15			
Wind shelter development		100			
<b>Blackwater Leisure Centre</b>					
New Car park entrance and drainage works	25				
Removal and renovation of Jungle river ride			80		
New sports hall floor			60		
<b>Parks &amp; open Spaces</b>					
Oaktree Meadow and Orchard Meadow resurfacing improvement	35				
Riverside Park youth activity site		65			
<b>Rivers</b>					
River Bailiff Hut into seafood kiosk		40			
New River Baliff WorkBoat			50		
Removal old slipway at St Lawrence	10				
Burnham on crouch Houseboats berth	120				
<b>Housing</b>					
Mandatory Disabled Facilities Grants	420	420	420	420	420
<b>Cemeteries</b>					
Structural repairs to Burnham Cemetery Chapel		150			

## APPENDIX 1

Maldon District Council

Medium Term Financial Strategy 2020/21 to 2023/24

<b>Sport</b>					
Replacement and update to 5G Carpet - AGP Plume school			80		
Maldon Town AGP replacement and update carpet					150
<b>Total Capital Programme</b>	<b>713</b>	<b>877</b>	<b>759</b>	<b>489</b>	<b>639</b>
<b>Funding</b>					
Capital Receipts Applied	293	457	339	69	219
Government Grant	420	420	420	420	420
<b>Total Funding</b>	<b>713</b>	<b>877</b>	<b>759</b>	<b>489</b>	<b>639</b>

## Appendix C – Policy on Reserves and Balances

### Purpose

A Policy for Reserve and Balances represents good financial management and should be reviewed annually.

### Application

The general principles set out in this Reserves and Balances Policy apply to the General Fund for Maldon District Council. It applies to reserves only and not provisions.

### The Existing Legislative/Regulatory Framework

The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

The Local Government Finance Act 1992 and Local Government Act 2003 set out that a range of safeguards to mitigate against local authorities over-committing themselves financially. These include:

- the balanced budget requirement
- Chief Finance Officers' duty to report robustness of estimates and adequacy of reserves when considering the budget requirement.
- Requirement for local authority to make arrangements for proper administration of their financial affairs and that the Chief Finance Officer is that responsible person (section 151 duties)
- the requirements of the prudential code.
- the auditor will consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based.

Generally, the balanced budget requirement is sufficient discipline for the majority of local authorities. This requirement is reinforced by section 114 of the Local Government Finance Act 1988 which requires the Chief Finance Officer in England and Wales to report to all the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice by the Chief Finance officer cannot be taken lightly and has serious operational implications.



The prudential code requires chief finance officers to have full regard to affordability when making recommendations about future capital programmes.

Guidance on specific levels of reserves and balances is not given in statute or by CIPFA (the recognised accountancy body for local government finance). There is no statutory minimum level of reserves. It is up to local authorities themselves to set their own level of reserves and balances on the advice of the Chief Finance Officer.

### **The Role of the Section 151 Officer**

Within the existing statutory and regulatory framework, it is the responsibility of Section 151 Officer to advise the Council about the level of reserves that it should hold and to ensure that there are clear protocols for their establishment and use.

The Council then, acting on and giving due regard to the advice of the Section 151 Officer must make its own judgements on the level of reserves and balances taking into account all the relevant local circumstances. These include the operational and financial risks, and the arrangements in place to manage them, including adequate and effective systems of internal control. The duties of the Chief Finance Officer in relation to the level of reserves are covered by the legislative framework described in 3 above. Under the Local Government Act 2003, the Chief Finance Officer must report to the Council on the adequacy of reserves (section 27) and reserve transactions must be taken account of within the required budget monitoring arrangements (section 28).

### **Types of Reserves**

Reserves can be held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves
- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

The Council also holds other reserves that arise out of the interaction of legislation and proper accounting practice. These reserves are not resource backed and cannot be used for other purposes include:

- a Pensions Reserve (required under IAS19). This is a specific accounting mechanism used to recognise the Council's share of pension fund liabilities in its balance sheet. As this is a reserve which arises from an accounting standard it is not available to finance Council expenditure.
- a Revaluation Reserve – this records unrealised gains in the value of fixed assets.

- a Capital Adjustment Account – this is a specific accounting mechanism used to reconcile different rates at which assets are depreciated under proper accounting practice.

For each earmarked reserve held by the Council there should be a clear protocol setting out:

- the reason for/purpose of the reserve
- how and when the reserve can be used
- procedures for the reserve's management and control
- a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

This Reserves and Balances Policy ensures that when establishing reserves, Maldon District Council complies with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and the need to distinguish between reserves and provisions.

### **Policy and Principles to Assess the Adequacy of Reserves**

The principles used by the Chief Finance Officer to assess the adequacy of unallocated general reserves when setting the budget, ensure that account is taken of the strategic, operational and financial risks facing the authority.

Setting the level of reserves is just one of several related decisions in the formulation of the medium term financial strategy and the budget for a year. This is carried out as part of the four-year Service and Resource Planning Process. Account is taken of the key financial assumptions underpinning the budget alongside a consideration of the authority's financial management arrangements. In addition to the cash flow requirements of the authority the following factors are considered:

- The treatment of inflation and interest rates
- Estimates of the level and timing of capital receipts
- The treatment of demand led pressures
- The treatment of planned efficiency savings / productivity gains
- The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments
- The availability of other funds to deal with major contingencies and the adequacy of provisions.
- The economic situation, unforeseen events etc.

- The risks identified by the authority as part of its risk management arrangements

The Council holds two types of reserves

- General non-earmarked reserves (the Council's General Fund Balances)
- Earmarked reserves held for specific purposes

It is the current policy of Maldon District Council for the *General Fund reserves* (the General Fund Balances) to be held at a level of, at least, £2.6m. This is reviewed at least annually, during the setting of the budget. Factors which are considered during the review include; the level of balances as a percentage of the net revenue requirement, budget management and monitoring procedures, risk levels and financial projections for future years.

Reserves can be created or increased to ensure that the Service and Resource Planning Process takes account of any need to increase due to factors which may arise and to fully account for these factors.

In addition, the regular budget monitoring process carried out by the Council throughout the year will report on any changes in the level of balances or reserves.

The Reserves and Balances Policy is set in the context of the authority's Medium-Term Financial Strategy and does not focus exclusively on short-term considerations. Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. However, where reserves are to be deployed to finance recurrent expenditure this will be made explicit. Advice will be given by the Chief Finance Officer on the adequacy of reserves over the lifetime of the medium-term financial projections. This is addressed in the Medium-Term Financial Strategy.

### A New Reporting Framework

The Chief Finance Officer has a fiduciary duty to local tax-payers and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds. Compliance with this Reserves and Balances Policy assists in allowing the Chief Finance Officer to be satisfied that there is proper stewardship of public funds. The level and utilisation of reserves is determined formally by the Council at its meetings to approve the annual budget and the final accounts. These decisions are informed by the advice and judgement of the Chief Finance Officer.

The Reporting Policy for Maldon District Council is:

- The Medium-Term Financial Strategy report to the Council includes a statement showing the proposed use of, or contribution to, general and earmarked reserves for the year ahead. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure

- The budget report itself includes a statement from the Chief Finance Officer on the adequacy of reserves in respect of the forthcoming financial year and the authority's medium-term financial strategy.
- The Councils' annual statement of accounts includes a schedule of all reserves in the balance sheet, showing opening balance, net movement in year and year-end balance. Notes to individual reserves are given in the accounts and significant reserve movements are explained in the Chief Finance Officer's foreword to the accounts and the covering report to Council which accompanies the presentation of the accounts.
- The regular in-year Budget Monitoring reports to Strategy & Resources Committee include details of any transactions affecting the Council's reserves.

### Good Governance

It is important that local authority councillors take responsibility for ensuring the adequacy of reserves and provisions when they set the budget. This will be subject to the advice of the Chief Finance Officer and the arrangements for reviewing and reporting on the level of reserves and balances as set out above.

**Budget Growth 2021 / 22 to 2023 / 24****Summary**

Service Team	Title of the proposal	Funding	Growth 21/22 £000	Growth 22/23 £000	Growth 23/24 £000	Total £000
<b>Essential Growth for 2021/22</b>						
Service Delivery	Safeguarding System	Earmarked Reserves	3	3	3	9
Service Delivery	Emergency Planning System	Earmarked Reserves	4	4	4	12
Service Delivery	Toilet cleaning contract	Earmarked Reserves	5	0	0	5
Service Delivery	Revs and Bens Specialist	Earmarked Reserves	10	10	10	10
Service Delivery	Housing Register system	Earmarked Reserves	11	11	11	33
Strategy, Planning and Communication (SPC)	Public Engagement Software	Earmarked Reserves	25	25	25	75
Service Delivery	Commercial L1 Caseworker	Earmarked Reserves	27	27	27	81
Service Delivery	Parks & Countryside Officer	Earmarked Reserves	27	0	0	27
Service Delivery	Customer, Community and Casework Lead	Earmarked Reserves	50	50	50	150
Service Delivery	Project Manager	Earmarked Reserves	56	0	0	56
Policy Performance and Governance (PPG)	Continue process improvement team	Earmarked Reserves	83	83	83	249
Service Delivery	HM Land Registry (HMLR) Project	General Fund Balance	50	0	0	50
SPC	Local Development Scheme 2020-2022	General Fund Balance	410	175	9	594
SPC	LDP Review	General Fund Balance	333	333	334	1,000
<b>Total Essential</b>			<b>1,094</b>	<b>721</b>	<b>556</b>	<b>2,361</b>
<b>Total Funded From Earmarked Reserves</b>			<b>793</b>	<b>508</b>	<b>343</b>	<b>1,644</b>
<b>Total Budget Growth</b>			<b>301</b>	<b>213</b>	<b>213</b>	<b>717</b>

**Detailed Descriptions**

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Service Team	Title of the proposal	Full Description of the proposal	Growth 21/22 £000	Growth 22/23 £000	Growth 23/24 £000	Ongoing/ One Off	Staffing Implications Full Time Equivalent (FTE) (-)	Risk Indicator	Justification for Proposal Why is the growth required? Can it be funded externally by external grant or other partner organisations?
Service Delivery	HM Land Registry (HMLR) Project	<p>There is a legislative requirement for Maldon District Council (MDC) to scan all Land Charges files and make the data available on the Land Charges Registry by 2023. Although not mandatory, it is expected to become so within the next few years and it is advisable to get ahead of the game to qualify for burdens funding and secure support from HMLR to implement the project.</p> <p>Phase 1 is the pre-migration stage to assess the quality of our data and how much cleansing is required. All Local Land Charges (LLC) paper files will need to be scanned (overlapping with the Digitisation Project) prior to being migrated to HMLR in Phase 2.</p> <p>The bulk of the cost will fall in Phase 1 (2021 / 22) due to the work involved to prepare the paper files for scanning along with checking and cleansing the data prior to migration. The costs in Phase 2 are yet to be established but will fall in 2022-23 and are largely for HMLR to complete at their cost. Total cost is expected to be £150k but external funding will be available reducing the cost to the Council to £50k.</p>	50	0	0	One-off	2 FTE	Service Improvement	<ul style="list-style-type: none"> <li>All data needs to be legally compliant and this is our responsibility (no data shared with HMLR at the moment).</li> <li>Efficiencies built into Ignite savings but not delivered as part of Phase 2 transformation activity. Resources are stretched as a result.</li> <li>We have to do the work for private searches free of charge, but having the information available to the public means they complete searches themselves.</li> <li>Government has indicated that we'll need to do this at some point and funding is available now. Need to take advantage whilst uptake is low to get funding and assistance / resources to support delivery.</li> <li>Releases storage space in the basement and depot (enables office relocation, remote working and saves officer time) Spare office space can be leased for additional income.</li> <li>RISK: fines, damage to paper documentation with no copies, reputational damage, higher operating costs.</li> </ul>
Service Delivery	Safeguarding Admin	To allow safeguarding leads to have administration rights in	3	3	3	Ongoing		Service Improve-	

## APPENDIX 2

Service Team	Title of the proposal	Full Description of the proposal	Growth 21/22 £000	Growth 22/23 £000	Growth 23/24 £000	Ongoing/ One Off	Staffing Implications Full Time Equivalent (FTE) (-)	Risk Indicator	Justification for Proposal Why is the growth required? Can it be funded externally by external grant or other partner organisations?
		Fresh Service						ment	
Service Delivery	Staffing	Commercial L1 Caseworker	27	27	27	On-going	1 FTE	Service Failure	This post is required to assist the Commercial Team in administering and coordinating. Health and Safety matters within the team, work areas will include vehicle fleet, property defect reporting, Parks Team operations. There is a lack of capacity within the team to ensure proper administration of these important activities.
Service Delivery	Staffing	Revs and Bens Specialist	£10 if process improvement growth agreed, otherwise £38k	£10 if process improvement growth agreed, otherwise £38k	£10 if process improvement growth agreed, otherwise £38k	On-going	1 FTE	Service Failure	The team has insufficient capacity and resilience to support essential activities such as software testing, annual billing, statutory returns, annual benefit subsidy audit, quality checks and training. This places us at significant legal and financial risk. A previous decision to reduce resources in this area led to financial losses in excess of £100K plus increased audit fees just related to benefit subsidy loss. Previous DWP reviews raised concerns about level of resources and supported the increase of resource.
Service Delivery	Staffing	Project Manager	56	0	0	One-off	1 FTE	Service Improvement	Fixed term contract - The Council is developing a number of business cases for commercial projects to deliver financial returns and enhance local facilities. To enable robust business cases to be prepared for member approval it is proposed to engage a project manager on a fixed term contract to review the project list and bring forward the most viable projects. The post holder will work closely and report to the Commercial Manager. Capacity at this time (Covid related) means without this additional resource little progress can be made by the Commercial Manager to bring these projects forward.
Service Delivery	Staffing	Parks & Countryside Officer	27	0	0	One-off	1 FTE	Service Failure	Fixed term contract - The Parks Team is reviewing activity and workload. It is apparent at this time it is unable to manage peak times without additional resources. An additional member of the team is sought in 2021 / 22 to supplement the existing workforce whilst the review looks at options to manage within the allocated resources. This work will need Member approval as service standards will need to be altered. This post will buy time for

## APPENDIX 2

Service Team	Title of the proposal	Full Description of the proposal	Growth 21/22 £000	Growth 22/23 £000	Growth 23/24 £000	Ongoing/ One Off	Staffing Implications Full Time Equivalent (FTE) (-)	Risk Indicator	Justification for Proposal Why is the growth required? Can it be funded externally by external grant or other partner organisations?
									the review to be completed in the summer of 2021.
Service Delivery	Staffing	Customer, Community and Casework Lead	50	50	50	Ongoing	1 FTE	Service Failure	This post is to support the operational management of Service Delivery, Community Engagement and Customer Services. The workload for the services has increased significantly since the original transformation, with significant increases in workload, service redesign and improvement, projects to meet new legislative requirements as well as implementing, embedding and making best use of the new systems and IT that we have invested in and delivering efficiencies that were part of the original transformation plan. Due to the accelerated implementation of the transformation much of the workload related to the improvements and efficiencies is still being delivered, in addition to responding to the increases in workload and demand. The current role has responsibility for more than 80 staff, and whilst there are coordinators to help with day to day management of staff, there is no senior support within the structure for the existing Customers Community and Casework Manager role. The proposed role would provide significant and much needed support to delivery on not only our statutory functions, but to support the delivery the service efficiencies that were a key element of the transformation programme, on which our current structure and level of resources structure is based.
Service Delivery Total			243	162	162				



## APPENDIX 2

Service Team	Title of the proposal	Full Description of the proposal	Growth 21/22 £000	Growth 22/23 £000	Growth 23/24 £000	Ongoing/ One Off	Staffing Implications Full Time Equivalent (FTE) (-)	Risk Indicator	Justification for Proposal Why is the growth required? Can it be funded externally by external grant or other partner organisations?
SPC	Public Engagement Software	To purchase and maintain a smart public engagement software platform that will improve participation and influence in decision-making.	25	25	25	Ongoing maintenance fee and training		Service Improvement	MDC needs a reliable and compatible public engagement platform to engage with its residents and businesses in policy and strategy development, including the Local Development Plan Review, Bradwell B Development Plan Document (DPD), supplementary planning documents, corporate plans, thematic strategies, opinion polls, community forums, etc.
SPC	Local Development Scheme 2020-2022	To deliver the Local Development Scheme projects agreed by Council in Jan 2020	410	175	9	One off, but £9k software related ongoing.		Service Failure	MDC has determined the projects it wants to focus on as a Local Planning Authority between 2020 and 2022. These are the Bradwell B DPD, Community Infrastructure Levy (CIL), S106 Supplementary Planning Document (SPD), North Quay Development Brief (NQDB) SPD and supporting four Neighbourhood Plans currently in preparation. Full cost estimated to be £800k - £80k can be claimed back as Ministry of Housing, Communities and Local Government (MHCLG) burden grant and £175k already allocated in Local Development Plan (LDP) reserves, but a remainder needs to be found. CIL/S106 software costs would have annual maintenance fee.
SPC	LDP Review	To deliver an evidenced led review of the Local Development Plan's strategic and allocation planning policies, including 2 rounds of public consultation, statutory studies, examination in public, modification consultation and adoption over 2-3 years.	333	333	334	One off, but spread over 3 years		Service Failure	Legal requirement to conduct a review of the LDP to determine if it remains up to date and effective every 5 years. It was adopted in 2017 and likely that strategic housing and growth policies will struggle to remain up to date due to falling land supply and increasing housing needs.


## APPENDIX 2

Service Team	Title of the proposal	Full Description of the proposal	Growth 21/22 £000	Growth 22/23 £000	Growth 23/24 £000	Ongoing/ One Off	<u>Staffing Implications</u> Full Time Equivalent (FTE) (-)	<u>Risk Indicator</u>	<u>Justification for Proposal</u> Why is the growth required? Can it be funded externally by external grant or other partner organisations?
PPG	Continue process improvement work	1 FTE business analyst (Grade G) and 1 ICT specialist (Grade H) to become permanent	83	83	83	ongoing	2 FTE	Service Improvement	Ignite acknowledge they missed these posts in the structure and the need for ongoing improvement resource. New customer processes and front-end forms for COVID have been built by the team. The posts are also working in service areas to improve processes and help others cope with post-transformation resource pressures. Improvement and process work is a continual programme. If these posts are funded, we can remove the apprentice post and associated £9k from the budget, which is netted off.
<b>SPG Total</b>			<b>851</b>	<b>616</b>	<b>451</b>				
<b>Grand Total</b>			<b>1,094</b>	<b>721</b>	<b>556</b>				
Funded from Earmarked Reserves			793	508	343				
<b>Budget Growth</b>			<b>301</b>	<b>213</b>	<b>213</b>				

### Appendix 3 - Repairs Renewals

Five year Repairs and Renewals						
Project Title	Category	Original	Original	Original	Original	Original
	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26
	£'001	£'000	£'000	£'000	£'000	£'000
<b>Maldon Promenade</b>						
1. Prom Park Galleon	SF	15				
2. Boat lake decking replacement	SF	20				
<b>Leisure Centre</b>						
3. Replacement power unit / board in the plant room	SF	15				
<b>Parks &amp; open Spaces</b>						
4. District Parks - replacement steps	SF	18				
5. Replacement fencing works at parks & playsites at Riverside Park	SF	20				
6. Playsite sand / bark top ups	SF	20				
<b>Cemeteries</b>						
7. Memorial Safety	SF	20			10	20
<b>Total Repairs &amp; Renewals</b>		<b>128</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>20</b>

**BID 1**


	Repairs and Renewals
<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>	David Burnham
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Structural and safety works on the Prom Park Galleon play feature due to the increase of H&S risk rating. The Galleon depreciates each year due to being predominantly made from timber products and being in the external elements all year round. Current life expectancy assessments on the Galleon identify that there is a large percentage of replacement timber products required which are structural and supportive along with weld plates, fixtures, fittings and chemical treatment required. The Galleon was manufactured by Lappset UK Ltd who are a specialist play site company, due to being play site equipment all replacement products must be ordered via a play site specialist to ensure the integrity of the equipment is not invalidated. Other items for replacement as part of the works will be ropes / netting and features including the slides due to wear and tear which will also include surface issues such as lifting edges.
<b>Project Start Date</b> <i>(Month and year)</i>	Apr-21
<b>Project Completion Date</b> <i>(Month and year)</i>	Jun-21
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Materials will be ordered via specialist contractor with installation completed via a specialist contractor
<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>2021/22</b>	15,000				
<b>2022/23</b>					
<b>2023/24</b>					
<b>2024/25</b>					
<b>TOTAL</b>	15,000	0	0	0	0

### Appendix 3 - Repairs Renewals


<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>Strengthening communities to be safe, active and healthy - These works will be completed as a matter of Health &amp; Safety due to the risk rating and potential for public incidents / accidents. Once the works have been completed the Galleon can continue to be one of the main attractions within the Promenade Park and in a safe condition for the enjoyment of the community.</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 foreseen risks to the delivery of the project.</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>NA</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p>There is currently a rising concern for H&amp;S implications if preventative maintenance is not completed during the next 12 months. There will be areas of the Galleon which will not be fit for purpose and unsafe for public use.</p>
<p><b>Is this part of a statutory obligation? If so, state how</b></p>	<p>NA</p>
<p><b>Is the project contractually committed to in any way? If so, please describe</b></p>	<p>NA</p>
<p><b>Is there any linkage to other plans (i.e. business plan objectives)? If so, please provide details</b></p>	<p>NA</p>

**BID 2**

	Repairs and Renewals				
<b>Project Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Service Failure				
<b>Project Lead Officer</b>	David Burnham				
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Structural and safety works to the Prom Park Boating Lake Boardwalk. The works will see all the current timber deck boards removed and replaced with new boards. The structural and supporting timbers that are submerged will also be removed and replaced due to life expectancy and H&S. The works will ensure that this feature will be safe and sustainable for a number of year to come for community enjoyment.				
<b>Project Start Date</b> <i>(Month and year)</i>	Jun-21				
<b>Project Completion Date</b> <i>(Month and year)</i>	Jul-21				
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Works will be completed by a external contractor.				
<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>					
	<b>Capital Expense</b>  <b>£</b>	<b>Revenue Implications</b> <b>One-off</b> <b>£</b>	<b>On-going</b> <b>£</b>	<b>External Funding</b> <b>Amount</b> <b>£</b>	<b>Source of costs</b>
<b>2021/22</b>	20,000				
<b>2022/23</b>					
<b>2023/24</b>					
<b>2024/25</b>					
<b>TOTAL</b>	20,000	0	0	0	0

<p><b>Describe links to Corporate Goals</b></p> <p><i>Corporate goals:</i>  1) <i>Strengthening communities to be safe, active and healthy</i>  2) <i>Protecting and shaping the District</i>  3) <i>Creating opportunities for economic growth and prosperity</i>  4) <i>Delivering good quality, cost effective and valued services</i></p>	<p>Strengthening communities to be safe, active and healthy - These works will be completed as a matter of Health &amp; Safety due to the risk rating and potential for public incidents / accidents. Once the works structural and safety works have been completed the boating lake boardwalk and decking can continue to be enjoyed and used for safe activity.</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>No</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p>There is currently a rising concern for H&amp;S implications if preventative structural maintenance is not completed during the next 12 months. The boardwalk boating lake feature may not be fit for purpose and unsafe for public use.</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>No</p>

**BID 3**


	Repairs and Renewals
<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>	Frank Britt
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	<p>Blackwater Leisure Centre was built in the 1990's, with some additions in the early 2000's, to provide leisure activities for the people of Maldon. Within the design for the building is the plant room which contains much of the mechanical and electrical plant that is needed for the operation of the facility. One part of this installation is a floor mounted electrical panel which has in the past been subject to water ingress due to the plant room flooding (BLC is built on the flood plain). The panel is constructed of mainly steel which is now rusting out including the support framework of the panel itself. It has been highlighted on the most recent electrical inspection of the building, as an advisory, that the panel requires replacing to ensure that it is electrically and structurally safe. Should the panel fail then it would seriously affect the operations of the Leisure Centre.</p>
<b>Project Start Date</b> <i>(Month and year)</i>	May-21
<b>Project Completion Date</b> <i>(Month and year)</i>	Aug-21
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	<p>Staff time to draw up the tender documents and carry out tender appraisal once received. There will be management time for the works phase and for agreeing the final account. Contractor costs to carry out the works following tender.</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>	

	Capital Expense	Revenue Implications		External Funding	
		One-off	On-going	Amount	Source of costs
	£	£	£	£	
<b>2021/22</b>	15,000				
<b>2022/23</b>					
<b>2023/24</b>					
<b>2024/25</b>					
<b>TOTAL</b>	15,000	0	0	0	0



<p><b>Describe links to Corporate Goals</b></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>Delivering good quality, cost effective and valued services - Should the equipment fail then it would result in operations at the leisure centre shutting down. This would affect the ability of the Maldon residents who usually frequent the Leisure Centre to partake in their healthy exercise regimes. It will also be detrimental to the services that MDC offer the wider community.</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>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>None</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p>If this bid was rejected and the equipment fail whilst in operation then we would have little choice than to shut down the operations at the Leisure Centre because it would be unsafe for them to continue.</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>Although Places Leisure are contracted by MDC to operate the leisure centre on our behalf and have a maintenance element within this contract, there are certain elements that are outside this scope and are still the responsibility of MDC to maintain. This electrical panel is one such element. If MDC fail to replace this and the leisure centre has to close then there are contract conditions in place which would result in MDC having to compensate Places Leisure for the closure and loss of income/profit.</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>

**BID 4**


	Repairs and Renewals
<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>	David Burnham
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Within the Prom Park and Riverside Park there are steps and pathways that require remedial action. The remedial action under H&S will be for removal of the current steps / walk way provision and installation of new safe and secure steps and walk ways. This will ensure that the current H&S risks are eliminated.
<b>Project Start Date</b> <i>(Month and year)</i>	Jun-21
<b>Project Completion Date</b> <i>(Month and year)</i>	Jul-21
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Works to be completed via external contractor
<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>2021/22</b>	18,000				
<b>2022/23</b>					
<b>2023/24</b>					
<b>2024/25</b>					
<b>TOTAL</b>	18,000	0	0	0	0

### Appendix 3 - Repairs Renewals

<p><b>Describe links to Corporate Goals</b></p> <p><i>Corporate goals:</i></p> <ol 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> </ol>	<p>Strengthening communities to be safe, active and healthy - These works will be completed as a matter of Health &amp; Safety due to the risk rating and potential for public incidents / accidents including slips, trips and falls. Once the new installations have been completed the areas in question will have been mitigated in terms of risk to public safety.</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 foreseen risks to the delivery of the project.</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>No</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p>Due to the current structure and defects with the highlighted steps / pathways there is a heightened risk level for potential slips, trips and falls. A series of replacement works will ensure public safety in these areas and mitigate the current risk level.</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>No</p>

**BID 5**


	Repairs and Renewals
<b>Project Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Service Failure
<b>Project Lead Officer</b>	David Burnham
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Replacement play site fencing and open space fencing at Riverside Park. The current timber fencing is severely rotten across the majority of the play site and open park space. The play site fencing provides a greater H&S risk due to fence line being directly next to a busy road. All fencing will be replaced and steel fencing will be installed to provide a more sustainable and safer solution. Other fencing to be replaced in sustainable recycled plastic where H&S dictates.
<b>Project Start Date</b> <i>(Month and year)</i>	Oct-21
<b>Project Completion Date</b> <i>(Month and year)</i>	Dec-21
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Products and works will be completed by a external contractor.
<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>2021/22</b>	20,000				
<b>2022/23</b>					
<b>2023/24</b>					
<b>2024/25</b>					
<b>TOTAL</b>	20,000	0	0	0	0

### Appendix 3 - Repairs Renewals

<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>Strengthening communities to be safe, active and healthy - These works will be completed as a matter of Health &amp; Safety due to the risk rating and potential for public incidents / accidents are exposure in places to person / vehicle conflict. Once the safety works have been completed the play site security will be at a high standard of safety and sustainable for the future play provision.</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 foreseen risks to the delivery of the project.</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>No</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p>There is a very large amount of fencing that requires replacement at Riverside Park, much of the fencing is in place for immediate prevention of potential H&amp;S accidents / accidents due to location of joining road ways and ditches containing water. Without replacement of the fencing this will lead to exposure to these potential hazards and dangers for members of the public using our play sites and Riverside Park.</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>No</p>

**BID 6**


	Repairs and Renewals
<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>	David Burnham
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Play bark and play sand top up to all MDC play sites that have play equipment situated in sand or bark surfaces due to H&S implications. The depth of the loose fill surfacing in nearly all bark or sand features is lower than the recommended depth specified in BS EN 1176; if the free height of fall of the equipment is less than 2.0m a minimum of 300mm depth should be provided. If the item has a fall height in excess of 2.0m then the minimum depth should be 400mm (these recommended depths include 100mm extra to allow for compaction and displacement). Failure to top up the surfaces could result in serious injury to members of the public. As well as the topping up all loose fill will receive replacement edging to ensure it is retained in the feature area.
<b>Project Start Date</b> <i>(Month and year)</i>	May-21
<b>Project Completion Date</b> <i>(Month and year)</i>	Jun-21
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Products and works will be completed by a external contractor.
<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>2021/22</b>	20,000				
<b>2022/23</b>					
<b>2023/24</b>					
<b>2024/25</b>					
<b>TOTAL</b>	20,000	0	0	0	0

### Appendix 3 - Repairs Renewals

<p><b>Describe links to Corporate Goals</b></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>Strengthening communities to be safe, active and healthy - These works will be completed as a matter of Health &amp; Safety due to the risk rating and potential for public incidents / accidents. Once the safety works have been completed the play site loose fill surfaces will be conforming to regulation and ensuring a high standard of safety for all users to enjoy.</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 foreseen risks to the delivery of the project.</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>No</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p>There are a high number of loose fill surfaces comprising of play bark and play sand throughout MDC play sites that are not conforming to industry standards and as a result heighten the H&amp;S risk rating for potential accidents / incidents that risk in injury to users.</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>No</p>

**BID 7**

	Repairs and Renewals
<b>Project Category</b> • Essential (E) • Service failure (SF) • Service improvement (SI)	Essential
<b>Project Lead Officer</b>	Debbie Horrey
<b>Project Description</b> <i>(Clearly set out what the overall purpose and main aims of the project are)</i>	Maldon District Council is responsible for 3 cemeteries and 1 closed churchyard, with over 20,000 headstones and memorials. Some of these are in a poor condition and pose a risk of falling onto members of the public. This request for funding is required to deliver a robust H&S assessment of MDC cemeteries (specifically unsafe memorials/gravestones) & to repair & make safe where a family member of the deceased cannot be identified.
<b>Project Start Date</b> <i>(Month and year)</i>	01/04/2020 (testing & identifying those at risk)
<b>Project Completion Date</b> <i>(Month and year)</i>	01/07/20 (log of all high risk memorials completed) works commence for repairs )
<b>Resource Implications</b> <i>(Identify what resources are needed (i.e. staff time, contractor resources, maintenance costs))</i>	Debbie Horrey will lead the project & be supported by Coast & Countryised team
<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>2021/22</b>	20,000				
<b>2022/23</b>					
<b>2023/24</b>					
<b>2024/25</b>	10,000				
<b>TOTAL</b>	20,000	0	0	0	0



### Appendix 3 - Repairs Renewals

<p><b>Describe links to Corporate Goals</b></p> <p><i>Corporate goals:</i>  1) <i>Strengthening communities to be safe, active and healthy</i>  2) <i>Protecting and shaping the District</i>  3) <i>Creating opportunities for economic growth and prosperity</i>  4) <i>Delivering good quality, cost effective and valued services</i></p>	<p>This project is linked to the following corporate goals:  Strengthening communities to be safe, active and healthy  Protecting and shaping the District  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>The threat of possibility of accidents occurring, (e.g. headstones falling over onto members of the public), and possible litigation against the Council.</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>Maldon District Council has a policy for memorial testing. The policy, in line with best practice, requires that all memorials are tested at least once every five years. This is a '5 year rolling programme approach' which the Health and Safety Executive (HSE) describe as 'reasonable'. Our inspection programme is now due and will be carried out over the winter period 2020/21.</p>
<p><b>Are there Health &amp; Safety implications? If so, please state</b></p>	<p>Maldon District Council has health and safety responsibilities to its employees, contractors and visitors to cemeteries (Section 2 &amp; 3: Health and Safety at Work Act 1974). It also places a legal duty on the council to assess the risks from cemetery structures and work activities and ensure that the risks are controlled. (The Management of Health and Safety at Work Regulations 1999)</p>
<p><b>Is this part of a statutory obligation? If so, state how</b></p>	<p>Yes in line with MDC policy &amp; HSE best practice</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>No</p>

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## **REPORT of DIRECTOR OF RESOURCES**

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**to  
COUNCIL (EXTRAORDINARY)  
23 FEBRUARY 2021**

### **REVISED 2020 / 21 ESTIMATES, ORIGINAL 2021 / 22 BUDGET ESTIMATES AND COUNCIL TAX 2021 / 22**

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

- 1.1 To note the Local Government Finance Settlement 2021 / 22 which was announced by the Government on 4 February 2021.
- 1.2 To present to the Council the revised 2020 / 21 and original 2021 / 22 General Fund Revenue Budget estimates for approval as recommended by the Strategy and Resources Committee on 28 January 2021.
- 1.3 To present the options for proposed level of Council Tax increase for 2021 / 22 for approval as recommended by the Strategy and Resources Committee on 28 January 2021.
- 1.4 To present for approval the policy on use of reserves as recommended by the Strategy and Resources Committee on 28 January 2021.

#### **2. RECOMMENDATIONS**

- (i) that Council notes the main details of the Local Government Finance Settlement 2021 / 22 described in section 3.4 of this report;
- (ii) that the following be approved:
  - (a) the Revised 2020 / 21 and Original 2021/22 General Fund Revenue Budget Estimates (**APPENDICES 1, 2 and 3**);
  - (b) an average Band D council tax of £207.40 (excluding parish precepts) (£5 increase) for 2021/22 (**APPENDIX 1**);
  - (c) policies on the designated use of financial reserves (**APPENDIX 4**);
  - (d) maintain the current policy of a minimum general fund balance of £2,600,000;
- (iii) that the Council gives due regard to the Director of Resources' (Section 151 Officer) statement on the robustness of budgets and adequacy of reserves in **APPENDIX 5**.

### 3. SUMMARY OF KEY ISSUES

- 3.1 The Council no longer receives revenue support grant funding from the Government meaning that the majority of the funding for the Council's services is from income raised directly by the Authority. The main sources of funding are Council Tax, Fees and Charges and Business Rates.
- 3.2 The requirement to set a balanced budget has required stringent processes to deliver efficiencies, preserve as far as possible front-line services, retain the ability to generate income and to recognise the increasing demand for services.
- 3.3 It should be noted that, at the time of writing this report, the National Non-Domestic Rates Return (NNDR1) for 2021 / 22 was not completed and, therefore, the funding figures from Business Rates are likely to change, which will affect the contributions to / (from) balances as shown in **APPENDIX 1**.

#### 3.4 Local Government Finance Settlement 2021 / 22

- 3.4.1 The 2021 / 22 local government finance settlement was announced on 4 February 2021. The Settlement Funding Assessment is the amount of funding consisting the 50% of the Business Rates Baseline Funding Level uprated by the increase in the small business rates multiplier that is identified by the Government under the current system of 50% Business Rates Retention Scheme and adjusted for the tariff that the authority pays.

	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
<b>Settlement Funding Assessment – Maldon</b>	<b>1.601</b>	<b>1.474</b>	<b>1.508</b>	<b>1.532</b>	<b>1.532</b>
of which:					
Revenue Support Grant	0.169	0	0	0	0
Business Rates Baseline Funding under 50% Business Rates Retention (BRR)	1.432	1.474	1.508	1.532	1.532
Annual % Change	-18.5%	-7.9%	2.3%	1.6%	0.0%
Cumulative % Change	-18.5%	-25.0%	-23.2%	-22.0%	-22.0%

- 3.4.2 The Government each year also calculates an amount called the 'Core Spending Power' for each local authority which is an estimate of the amount of funding available to each authority to spend on their core services. It is made up of estimated Council Tax and Business Rates income, Revenue Support Grant and New Homes Bonus plus a number of government grants (excluding those for education and policing).

CORE SPENDING POWER							
Please select authority							
Maldon							
Illustrative Core Spending Power of Local Government:							
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions
Settlement Funding Assessment	2.4	2.0	1.6	1.5	1.5	1.5	1.5
Compensation for under-indexing the business rates multiplier	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Council Tax Requirement excluding parish precepts	4.1	4.3	4.5	4.7	4.8	5.1	5.3
Improved Better Care Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Homes Bonus	0.6	0.8	0.8	0.7	0.8	0.9	0.9
New Homes Bonus returned funding	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rural Services Delivery Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transition Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult Social Care Support Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Winter Pressures Grant <sup>1</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Care Support Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social Care Grant <sup>2</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lower Tier Services Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.1
<b>Core Spending Power</b>	<b>7.2</b>	<b>7.1</b>	<b>7.0</b>	<b>6.9</b>	<b>7.3</b>	<b>7.6</b>	<b>7.9</b>
Change since 2015-16 (£ millions)							0.7
Change since 2015-16 (% change)							10%

Source: Local Government Finance Settlement 2021 to 2022 published by MHCLG 04/02/2021

- 3.4.3 It can be seen from the above illustrative table that, in the Government's view, the total Core Spending Power includes the potential additional Council Tax from the £5 referendum principle for all Districts. The Council did increase its Council Tax by £5 in 2017 / 18, the first year that the Government introduced the £5 into the referendum principle in acceptance and recognition of the financial pressures that district councils have been experiencing, as has done so every year since.

Key Information for Local Authorities (£m)						
Select local authority by clicking on the box below and using the drop-down button						
Maldon						
	2016-17	2017-18 <sup>1</sup>	2018-19 <sup>1</sup>	2019-20 <sup>1</sup>	2020-21 <sup>1</sup>	2021-22 <sup>1</sup>
Settlement Funding Assessment	2.0	1.6	1.5	1.5	1.5	1.5
of which:						
Revenue Support Grant	0.6	0.2	0.0	0.0	0.0	0.0
Baseline Funding Level	1.4	1.4	1.5	1.5	1.5	1.5
Tariff/Top-Up <sup>2</sup>	-3.8	-3.6	-3.7	-3.8	-3.9	-3.9
2017-18 Tariff and Top-up reconciliation			0.0			
Safety Net Threshold	1.3	1.3	1.4	1.4	1.4	1.4
Levy Rate	0.5	0.5	0.5	0.5	0.5	0.5

Source: Local Government Finance Settlement 2021 to 2022 published by MHCLG 04/02/2021

- 3.4.4 For 2021 / 22, government funding consists of the Business Rates Baseline funding, New Homes Bonus and the Rural Services Delivery Grant
- 3.4.5 The New Homes Bonus (NHB) Scheme was introduced in 2011 / 12 to encourage local authorities to facilitate housing growth. For every additional property built or empty property brought back into use, the government match funds the additional council tax, with an additional amount for affordable homes.
- 3.4.6 There have been changes to the scheme over the years such as:
- the payments have reduced from six years to four years,
  - the introduction of an annual baseline housing growth of 0.4% below which no NHB would be payable;

- from 2020 / 21 the government will no longer pay NHB legacy payments relating to 2020 / 21.
- 3.4.7 For 2021 / 22 the government has increased the Rural Services Delivery Grant to £85 million and the Council's allocation to £32,339, up £1,521 from 2020 / 21.
- 3.4.8 Finally, the Council's allocation for the provisional Homelessness Prevention Grant for 2021 / 22 is £142,320. This is in addition to any further allocations that maybe announced for the Flexible Housing Support Grant, and the Homelessness Reduction Grant in future.
- 3.5 Revised General Fund Revenue Budget Estimates 2020 / 21**
- 3.5.1 The original 2020 / 21 budget estimates showed a total of £872,000 contribution from the General Fund Balances. The revised estimate shows a contribution of £1,577,000 from the General Fund Balances. This is a reduction in the General Fund Balances of £705,000. This mainly comes from a £759,000 impact due to Covid-19 (net of Government support) less a net £54,000 in non-Covid related underspends.
- 3.5.2 It is worth pointing out that £133,000 of the gross Covid-19 pressures came from savings unachieved in 2019 / 20 that were still included in the budget. Savings initiatives were unable to identified in the current economic climate to offset these and therefore this pressure has been carried forward into 2021 / 22.
- 3.5.3 The Council continues to receive additional income from growth above the baseline in local business rates and pooling arrangements within the Essex Region Business Rates Pool. The final benefits from being in the pool will not be known until the year end.
- 3.5.4 £61,000 has been drawn down from the Local Development Plan (LDP) Reserve, £26,000 from repairs and renewals reserve, and £521,100 from the Revenue Commitments Reserve during the year; these have been built into the revised core budget for 2020 / 21 only.
- 3.6 Original General Fund Revenue Budget Estimates 2021 / 22**
- 3.6.1 The proposed 2021 / 22 net operating expenditure budget after adjusting for statutory adjustments, but before any non-service specific funding and use of reserves totals £7.907m and is therefore £1.725m (17.91%) lower than 2020 / 21 (£9.632m).
- 3.6.2 There are additional growth pressures such as an increase for inflation of £346,000, including:
- a 2% increase on pay budgets,
  - net incremental salary grade pressures,
  - 1.3% and 0.7% increases for Retail Price Index (RPI) and Consumer Price Index (CPI) indexed expenditure in October 2020,
- 3.6.3 It needs to be recognised that, since the decision to implement the Future Council model, the environment that the Council operates in has and will continue to change and move on. As such, the savings that were projected from the Future Model implementation whilst being largely achieved will be diluted or eroded in the future as

additional cost pressures are being accommodated without continually replenishing those savings with new savings. The measure for the savings of £1.89m by 2022 / 23 from the Future Council Model is the 2018 / 19 budget, however the economic environment since then has made these targets unachievable and new savings will need to be considered.

- 3.6.4 Due to a favourable local government settlement, it is estimated that in 2021 / 22 there will be a net zero contribution to General Fund balances.
- 3.6.5 The Council Tax increase is considered in Section 3.15. Proposals for the usage of earmarked reserves are discussed in more detail in Section 3.16.
- 3.6.6 2021 / 22 Budgets have initially been built up as follows:
- Embedded New Council Structure;
  - Inflation assumptions on existing contracts, (2% for pay), contractual inflation on goods and services based upon CPI or RPI dependent of terms within contracts;
  - Reflecting the expected income from fees and charges and grant income;
  - Implications of statutory and contractual changes, non-inflation cost pressures;
  - Growth, as discussed later in this report.

### **3.7 Budget Growth, Savings and Income Generation in 2021 / 22**

- 3.7.1 On 19 November 2020, the Strategy & Resources Committee (S&R) and subsequent Finance Working Group (FWG) considered a report on the budget growth and savings for 2021 / 22. These proposals have been built into the core 2021 / 22 budget after recommendations from the FWG and S&R for approval at this Council meeting. The estimates currently stand at £1.094m for growth.
- 3.7.2 Furthermore, the FWG and S&R considered non-recurring growth in 2021 / 22 in relation to repairs and renewals of Council assets, which would not form part of the capital programme, totalling £0.128m.
- 3.7.3 Following a meeting of Finance Lead members from across Essex, which was hosted by the Finance Cabinet Member at Essex County Council, it has been agreed that Local Council Tax Sharing Agreement will continue for the foreseeable future, along with the performance targets. For 2021 / 22 the Council has budgeted the benefit at £124,300. This is down £82,700 from the £207,000 budgeted in the current year due the difficulty in collecting Council Tax in the current economic environment.

### **3.8 New Homes Bonus (NHB)**

- 3.8.1 NHB is not ring-fenced, therefore, it can be used by the Council for whatever purpose it wishes. The government has stated that the NHB scheme in its current form will cease and 2020 / 21 will be the last year, as it wants to incentivise and reward local authorities to increase housing growth in a different way. Due to the uncertainty on the future of the NHB, the Council in 2018 / 19 took action to stop its reliance on the whole of the annual NHB allocation to support the General Fund Revenue

expenditure and thus the council tax by using just the legacy payments from previous years. The plan was to phase out wholly any reliance on the NHB to support the council tax. Legacy payments are payable for four years; therefore the income will progressively reduce to zero by 2023 / 24. Helpfully, a further £511,839 has been announced in the provisional local government settlement on top of the legacy payment due of £418,142. This means the amount in 2021 / 22 to support the general fund revenue expenditure is £929,981 (£251,512 in 2020 / 21).

### **3.9 Future Council Model**

- 3.9.1 The Future Council model identified £739,000 of savings in 2020 / 21. This is made up of salary savings of £400,000 through the new staffing structure and in total £339,000 through non-staff efficiencies, strategy-based reductions and new net revenue streams from commercial projects / activities. These are included in the 2021 / 22 budget but the unachieved savings from 2019 / 20 of £133,000 have now been removed from the 2021 / 22 budget.

### **3.10 Pension Fund Deficit Recovery**

- 3.10.1 The Pension Fund Triennial Valuation 2019 was concluded and the results at that time showed that the deficit on the Council's element of the overall Fund in respect of assets and liabilities had reduced from £8.181m to £5.318m with the funding level improving from 81.7% to 90.2%. The deficit recovery period has reduced from 15 years to 12 years. The primary employer's contribution rate has increased from 15.9% to 19.9% of pensionable pay from the current financial year. The Council chose to pay the triennial deficits up front so a payment of £1.556m was paid this financial year using the General Fund Reserves / Balance, then making a £0.520m contribution in each of the year's 2021 / 22 and 2022 / 23 be transferred to the Pension Reserve in the earmarked reserves in readiness for the next Triennial Valuation in 2023 / 24 to mitigate the impact of the deficit recovery payment at the time.

### **3.11 Funding for work on Bradwell B (BRB) Power Station and Community Infrastructure Levy (CIL)**

- 3.11.1 The Council is engaged in work with the BRB Partnership in respect of the Development Consent Order. In order to be so engaged, BRB has funded the Council in 2020 / 21. The Council's involvement in the BRB project therefore will be at nil net cost as income is claimed quarterly against BRB expenditure incurred. The current budget of £0.036m against BRB is an underspend carried forward from the previous funding agreement.

### **3.12 Essex Region Business Rates Pool**

- 3.12.1 As agreed by the Council in October 2015, the Council joined the Essex Region Business Rates Pool in April 2016. The Pool will continue to operate in 2021 / 22 and the Council will continue to benefit by being in the Pool.



### 3.13 Interest on Investments

- 3.13.1 Interest from investment income is an integral part of the budget considerations. Bank of England base rate decreased in March 2020 to 0.1%. The 2021 / 22 budget estimate for investment interest income in 2021 / 22 is £133,000 at an average investment balance of £21m during the year at a rate of 0.6%

### 3.14 Council Tax

- 3.14.1 The Council Tax referendum threshold set by the Secretary of State for 2021 / 22 was announced as part of the Provisional Settlement; and for Maldon, the threshold has been set at 2% increase over 2019 / 20 or £5 whichever is the greater. Any Council proposing increases more than the threshold faces the substantial cost of conducting a local referendum and, if it results in a 'No' vote, the rebilling cost as well.
- 3.14.2 In view of the fact that the Government, in calculating the core spending power for each council, assumes they will have taken the benefit of the £5 increase (see table in paragraph 3.4.2) it is important that the Council considers the option of the £5 increase for 2021 / 22.

Options for Increase in Council Tax from 2020 / 21 to 2021 / 22	Increase on 2020 / 21 Band D Council Tax to £207.40		Additional Income Band D
Tax Base = 24,959.9	0.00%	£5.00	
Band D Council Tax 2021/22	£202.40	£207.40	£5.00
Maldon District Council: Council Tax	£5,051,634	£5,176,517	£124,883

- 3.14.3 Increasing the council tax by £5 to £207.40 instead of a Council Tax freeze of 0% (£0) to £202.40 would raise an additional income of £124,883 in 2021/22 thus reducing the requirement from General Fund Balances by that amount to support the General Fund net expenditure.
- 3.14.4 A £5 increase would represent a 2.47% increase on 2020 / 21 Council Tax. Every 1% increase in Council Tax will bring in an additional £50,491.
- 3.14.5 The Council's net expenditure budget (excluding parish precepts but after service specific funding and contribution from reserves) for 2021 / 22 is £7,887,143. This is matched by the estimated total resources with the Band D council tax at £207.40 i.e. £5 increase on 2020 / 21 (**APPENDIX 1**).
- 3.14.6 The tax base to be used for setting the 2021 / 22 Council Tax was agreed by the Council at its meeting on 17 December 2020. The tax base is 24,959.9 "Band D equivalent" properties, after allowing for a non-collection rate of 3.0%. 1.2% of this is due to the effect of Coronavirus. This tax base is now fixed for the purposes of setting the 2021/22 Council Tax.
- 3.14.7 In terms of the surplus or deficit on the Collection Fund as at 31 March 2020, Maldon District Council's share of the net surplus, which was used to reduce our 2020 / 21 Council Tax, was £35,897, comprising of a surplus distribution on Council Tax of £174,733 and a deficit distribution on Business Rates of £138,836.

3.14.8 The Council's estimated share of the 31 March 2021 net deficit is £347,063, which will increase our 2021 / 22 Council Tax, comprising of a deficit distribution on Council Tax of £9,596 and a deficit distribution on Business Rates of £337,467.

3.14.9 In accordance with the legislation under the Local Government Finance Act 1992, all Parish Precepts must be charged to the Council's General Fund. The total amount of Parish Precepts is £1,570,952.

### **3.15 Council Tax £5 increase on 2020 / 21 Band D Basic amount to £207.40**

3.15.1 The Budget estimates have been constructed on the basis that the Council is proposing to increase council tax by £5.00 which is within the referendum threshold for 2021/22. This represents a prudent approach having regard to the balance of the risks and opportunities facing the Council in future years; in the context of its underlying financial base with subsequent increases to be reviewed each year in the light of emerging risks. The budget for 2021 / 22 is balanced, however, there are some uncertainties still facing local government finance. The move from the 50% Business Rates Retention to 75% Business Rates Retention system is on hold and it is not known when or whether it will be implemented. Any change to the Business Rates retention system will, most likely result in a reset of the Business Rates Baseline, which it is expected will remove the growth that has been achieved since the system was introduced. This would most certainly take away resources from this Council. However, it is not possible to predict what the exact impact would be without knowing the details of the new system. There is also the uncertainty around the ongoing impact of Covid-19. The pandemic has created challenges for financial forecasting, due to the uncertainty involved. Possible impacts are covered in more detail in paragraph 3.18.5.

3.15.2 Council Tax increases become part of the overall financial base of the Council. The proposed £5 increase in Council Tax will generate an additional £124,883 of income in 2021 / 22. If this increase was not approved for 2021 / 22 then the gap in future years widens and any necessary Council Tax increase would then be greater.

### **3.16 General Fund Balance and Revenue Reserves**

3.16.1 Detailed policy information for each earmarked revenue reserve and anticipated balances is set out in **APPENDIX 4**.

3.16.2 Based on the latest risk assessment it is considered that the Council maintains the approved minimum working balance level from £2.6m this will be regularly reviewed in the light of changing circumstances.

3.16.3 A summary of the proposed use of reserves is summarised in the table overleaf and is based on a budget projection that includes aspects such as inflation and a number of priority and statutory growth pressures offset by savings identified. The overall aim is to ensure that reserves do not fall below £2.6m and the current projections keep within this target.

<b>Balances Movement (taking into account estimated use in 2020/21)</b>	<b>Revised 2020 / 21</b>	<b>2021 / 22</b>
	<b>£0</b>	<b>£0</b>
Balance brought forward		
General Fund Reserves	5,481	3,904
Earmarked Reserves	4,151	4,003
<b>Total</b>	<b>9,632</b>	<b>7,907</b>
Projected Movement		
General Fund Reserves	-1,577	0
Earmarked Reserves	-148	-436
<b>Total</b>	<b>-1,725</b>	<b>-436</b>
Balance carried forward		
General Fund Reserves	3,904	3,904
Earmarked Reserves	4,003	3,567
<b>Total</b>	<b>7,907</b>	<b>7,471</b>

3.16.4 The New Homes Bonus Reserve (NHB) has been building up from unutilised payments and legacy payments received since 2018 / 19. The balance as at 31/03/21 will be £1,284,437. £793,000 of this will be utilised during 2021 / 22 to fund the proposed growth bids for Local Development Scheme 2020 - 2022 and Local Development Plan Review. Therefore, the NHB reserve balance will be £491,437 as at 31/03/22. The government has announced a consultation on the future of the NHB in 2021 / 22.

3.16.5 In setting budgets and projections for individual years, it is important that the Council is not reliant on the use of reserves to support revenue expenditure thus creating an unsustainable future. Therefore, the use of these reserves is for one-off expenditure and not to fund ongoing revenue costs and should be replenished where required over time.

### 3.17 **Medium Term Financial Strategy (MTFS)**

3.17.1 The MTFS has been reported to the Strategy and Resources Committee and is also being presented to the Council in this meeting for consideration at the same time as the suite of financial reports for 2021 / 22.

### 3.18 **View on Risks**

3.18.1 Risks to the Council's financial position could derive potentially from budget overspend, loss of investment income, contractual / legislative failure, shortfall in forecast business rates growth or challenge and emergency events. Historically, the Council's outturn has been within budget and investment income has been above budget; therefore, this is not seen as a high risk to the Council and it is not necessary to make additional significant provision. However, robust budget management, monitoring and reporting will be a key discipline for all budget managers and ensuring that savings and income levels included in the budget are achieved, will be a key focus.

- 3.18.2 The level of risk posed by contractual or legislative failure and emergency events is difficult to predict, but it would be a low probability with a potentially high impact. However, it is not appropriate to set aside large amounts of reserve against the possibility of this happening and that appropriate bond / Parent Company Guarantee have been built into large contracts.
- 3.18.3 It is important to recognise that with the introduction of the Business Rates Retention, there is a considerable degree of uncertainty in the forecast for business rates growth as much of it depends on external factors including the impact of successful appeals. The Council's own economic development policies can have an impact on business rates growth and therefore it is important that the planning services, economic development services and the business rates service have a co-ordinated approach to inward investment policies. It is important to ensure a high level of growth in the District, as any empty properties create a risk on the level of Business Rates income the Council will receive.
- 3.18.4 The UK left the European Union (EU) transition period on 31 December 2020. Whilst a deal was agreed between the UK and the EU, the impacts are still largely unknown. Officers will continue to monitor the situation to ensure that any developments are picked up as soon as possible.
- 3.18.5 The impact of Coronavirus in 2021 / 22 is difficult to predict as there is still much uncertainty as to when lockdown will be lifted, how long social distancing will be in effect and how fast the vaccinations will be rolled out. Due to the uncertainty, budgets have not changed from 2020 / 21. Table 3 summarises a range of possible impacts on budgeted income from the following services.

**Table 3 – Risks of Income Loss from COVID-19 in 2021 / 22**

Income Stream	Possible Underachievement against Net Budgets			Assumptions
	April Opening £000	July Opening £000	Not Opening £000	
Maldon Splash Park	82,000	69,250	41,000	A lot of set up costs and only 30% of customers permitted
Promenade Park Beach Huts	18,000	31,500	36,000	Only 50% of huts opening
Promenade Park Amusement fairs and circuses	56,500	66,500	76,500	Replaced by socially distanced attractions
Riverside Park Amusement fairs and circuses	2,700	3,700	4,700	Replaced by socially distanced attractions
Other various events			15,500	

- 3.18.6 The impact of Coronavirus is also likely to continue in future years and assumptions have been made regarding what this might be although (again, due to the uncertainty) excluded from the Council's budgets.

**Table 4 – Risks from COVID-19 in Future Years**

Risk Areas	Possible Monetary Impacts			Assumptions
	2021/22 £000	2022/23 £000	2023/24 £000	
Leisure Centre Management Fee	486	414	222	No management fee in 2021 / 22, £72,000 the next year and £264,000 the year after.
Town Centre Car Parking	225	225	225	A sustained reduction of 25% in demand due to changing habits.
Splash Park and Beach Huts	146	0	0	Matches 2020 / 21 in 2021 / 22 then returns to pre-COVID levels.
Income from Other Events	96	0	0	Matches 2020 / 21 in 2021 / 22 then returns to pre-COVID levels.
Council Tax Sharing Agreement	69	69	35	Council tax collections remains at 2020 / 21 forecast levels and starts to recover in 2023 / 24.
<b>Total</b>	<b>1,022</b>	<b>708</b>	<b>482</b>	

3.18.7 The Government has promised to extend the Income Compensation scheme for the first quarter of 2021 / 22 but it is unclear what additional support may be provided by the Government beyond that. We have not budgeted for the above risks as there is too much uncertainty around the UK getting on top of the coronavirus.

3.18.8 However, in the provisional local government settlement the following two grants were announced which we propose to keep aside as a Covid-19 contingency:

- Covid 19 Funding, £306,149;
- Lower Tier Services Grant, £65,264.

3.18.9 Section 25 of the 2003 Local Government Act requires the Director of Resources to make a formal report to the Council on the robustness of the budget and adequacy of reserves (**APPENDIX 5**).

## **4. CONCLUSION**

4.1 After including all items within the financial projections, general fund and earmarked reserves at the start of 2021 / 22 are expected to be £7.907m with all known movements considered. The government has set the referendum threshold for the increase in the average band D council tax in 2021 / 22 for district councils at 2% or £5 whichever is the greater. Due to the unknown impact of future changes to Local Government finance, it is proposed that the Council should take the opportunity to increase its financial base by increasing the average band D council tax by £5, the maximum allowed for by the government before a referendum is required.

## 5. IMPACT ON STRATEGIC THEMES

- 5.1 This report sets out the resources that are and will be available to the Council in 2021 / 22 to meet the outcomes set out in the three strategic themes of Place, Community and Prosperity.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – The budget process ensures that changes in service delivery resulting in budget changes are reviewed by Officers and Members so that any impact can be considered. In 2021 / 22, only essential budget growth has been considered.
- (ii) **Impact on Equalities** – The budget affects all residents in the District, it is not considered that the growth bids for 2021 / 22 individually impact negatively on an individual user group.
- (iii) **Impact on Risk** – The distribution of resources reflected in the revenue and capital budgets is designed to support the Authority's approach to risk management (i.e. to reduce all major corporate risks to a level within approved tolerances through the implementation of approved mitigation plans).
- (iv) **Impact on Resources (financial)** – This report details the impact on financial resources.
- (v) **Impact on Resources (human)** – The budget includes a pay inflationary increase.
- (vi) **Impact on the Environment** – None directly.

Background papers: None.

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## Council Tax Summary 2021 / 22

REVENUE ESTIMATES SUMMARY 2021/22					
		Original	Revised	Original	
		2020/21	2020/21	2021/22	
		Original	Revised	Original	
Directorates		£000	£000	£000	
	Resources	3,082	3,699	3,527	
	Service Delivery	5,754	5,804	6,609	
	Strategy Performance and Governance	1,343	1,390	1,780	
	Corporate & Democratic	492	490	0	
	Customer & Communities	181	336	0	
	Planning & Licensing	(909)	(401)	0	
<b>Net Cost of Services</b>		<b>9,944</b>	<b>11,319</b>	<b>11,916</b>	
	Interest on Investments	(283)	(211)	(133)	
	Pension Interest Cost/ Expected return on Assets (net)	622	380	0	
<b>Net Operating Expenditure</b>		<b>10,283</b>	<b>11,488</b>	<b>11,783</b>	
<b>Appropriations &amp; Adjustments</b>					
	Impact of forward pension deficit funding	1,556	1,556	0	
	Statutory Adjustments	(2,292)	(2,313)	(2,330)	
	Govt Direct Grants				
	- New Homes Bonus	(897)	0	(930)	
	- Other Direct Grants	(31)	0	(200)	
	Levy Redistribution	0	0	0	
	To/(From) Earmarked Revenue Reserves	504	122	(436)	
	To/(From) Balances	(872)	(1,614)	0	
<b>Expenditure to be Funded</b>		<b>8,252</b>	<b>9,239</b>	<b>7,887</b>	
		<b>2020/2021</b>		<b>2021/2022</b>	
	Property Tax Base (Band D equivalent)	25,090.8		24,959.1	
	Council Tax Charges	Charge @	Total	Charge @	Total
		Band D	Cost	Band D	Cost
		<b>£ : p</b>	<b>£</b>	<b>£ : p</b>	<b>£</b>
	Revenue Expenditure to be Funded	328.89	8,252,125	316.00	7,887,143
	Revenue Support Grant	0.00	0	0.00	0
	Business Rates Retention				
	- Renewable Energy	(29.74)	(746,164)	(29.79)	(743,687)
	- Base Line Funding	(61.08)	(1,532,486)	(61.40)	(1,532,486)
	- Business Growth Retention	(58.73)	(1,473,535)	(39.54)	(986,804)
	- Levy on Business Rates Growth net to ECC Pool	24.48	614,253	8.23	205,288
	- NDR Collection Fund Adjustment (Surplus)/Deficit	5.54	138,918	13.52	337,467
	Council Tax Collection Fund Adj (Surplus)/Deficit	(6.96)	(174,733)	0.38	9,596
	<b>Maldon District Council Charge</b>	<b>202.40</b>	<b>5,078,378</b>	<b>207.40</b>	<b>5,176,517</b>

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ORIGINAL 20/21 Top  
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REVISED 20/21 Bottom (GREEN)		Direct Costs				Recharges			Income			
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	Net Budget £
<b>Service Management &amp; Support</b>												
172	Strategy, Performance & Governance	1,319,800	4,400	10,700		0						1,334,900
		1,366,900	4,400	10,700	0	8,200			0	0	0	1,390,200
171	Resources	2,174,300		21,900		102,900						2,299,100
		2,189,000	200	26,300	0	102,500			0	0	0	2,318,000
170	Service Delivery	5,564,700	2,200	31,000		156,300						5,754,200
		5,601,500	10,300	37,200	0	155,300			0	0	0	5,804,300
101	Corporate Core	0	500	3,400							0	3,900
		0	0	1,900	0	0			0	0	0	1,900
102	Election Services	0	0	1,000								1,000
		0	0	200	0	0			0	0	0	200
103	Policy & Comms	0	0	13,700	0						0	13,700
		0	0	3,100	0	0			0	0	0	3,100
104	Training			61,100							0	61,100
		0	0	97,900	0	0			0	0	0	97,900
105	Human Resources	0	0	20,500								20,500
		0	0	24,800	0	0			0	0	0	24,800
106	Apprentices	18,000		0								18,000
		18,000	0	0	0	0			0	0	0	18,000
108	Committee Services	0	0	18,900					(10,000)			8,900
		0	0	30,000	0	0			0	(10,000)	0	20,000
109	General Office Support	0	0	200	0							200
		0	0	0	0	0			0	0	0	0
110	Customer Services	0	0	16,100	0					(30,400)		(14,300)
		0	0	16,500	0	0			0	(54,800)	0	(38,300)
111	Internal Audit & Perf. Review	0	0	70,400							0	70,400
		0	0	72,400	0	0			0	0	0	72,400
113	Finance	0	0	38,800	0						0	38,800
		5,000	0	34,800	0	0			0	0	0	39,800
114	Revenues & Benefits	0	0	104,000	0					(309,700)		(205,700)
		0	0	308,800	0	0			0	(310,000)	(13,700)	(14,900)
118	Leisure & Community	0	600	64,500	0					(9,000)		56,100
		0	200	65,700	0	0			0	(9,000)	0	56,900
119	IT Services	0	0	525,700	161,100							686,800
		0	0	527,200	161,100	0			0	0	0	688,300
121	Council Offices	400	0	283,100	94,900	(299,900)				(70,200)		8,300
		400	0	259,100	94,900				0	(48,000)	0	306,400
124	Princes Rd Depot			15,700	3,100							18,800
		0	0	17,000	3,100				0	(2,200)	0	17,900
129	Legal			0	0							0
				26,400							0	26,400
132	Environmental Health	0	0	10,200							0	10,200
		0	0	44,100	0	0			0	0	0	44,100
133	Environmental Waste	0	0	1,400							0	1,400
		0	0	1,500	0	0			0	0	0	1,500
134	Housing	0	0	11,700							0	11,700
		0	0	6,900	0	0			0	0	0	6,900
141	Parks & Countryside Services	72,100	54,000	110,300	27,300	0			(29,300)	(60,700)	0	173,700
		71,400	47,400	114,200	27,300	0	0	0	(46,400)	(77,100)	0	136,800
149	Nursery			0	400							400
		0	0	0	400	0			0	0	0	400
153	Parks Rangers	0	8,100	6,900	2,000					(85,000)		(68,000)
		400	7,400	11,100	2,000	0			0	(92,800)	0	(71,900)
155	Prom Depot			10,400	3,600					(2,500)		11,500
		0	0	11,900	3,600				0	(2,500)	0	13,000

ORIGINAL 20/21 Top REVISED 20/21 Bottom (GREEN)		Direct Costs										
Cost Centre	Description	Direct Costs				Recharges			Income			Net Budget
		Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	
163	Enforcement	0	0	5,600							0	5,600
		0	0	6,100	0	0			0	0	0	6,100
164	Economic Development	0	0	400								400
		0	0	500	0	0			0	0	0	500
165	Planning Policy Services	0	0	3,000								3,000
		0	0	2,800	0	0			0	0	0	2,800
166	Planning Admin Services	0	0	26,100								26,100
		0	0	23,200	0	0			0	0	0	23,200
167	Development Control Services	0	0	11,400							0	11,400
		0	0	11,300	0	0			0	0	0	11,300
168	Building Control Services	0	5,500	4,300								9,800
		0	5,500	4,400	0	0			0	0	0	9,900
<b>TOTAL Service Management &amp; Support Services</b>		<b>9,149,300</b>	<b>75,300</b>	<b>1,502,400</b>	<b>292,400</b>	<b>(40,700)</b>	<b>0</b>	<b>0</b>	<b>(39,300)</b>	<b>(567,500)</b>	<b>0</b>	<b>10,371,900</b>
		<b>9,252,600</b>	<b>75,400</b>	<b>1,798,000</b>	<b>292,400</b>	<b>266,000</b>	<b>0</b>	<b>0</b>	<b>(46,400)</b>	<b>(606,400)</b>	<b>(13,700)</b>	<b>11,017,900</b>
<b>Central Services</b>												
<b>Corporate Core &amp; Democratic</b>												
256	Corporate Management			173,600					0		0	173,600
		0	0	173,600	0	0			0	0	0	173,600
260	Democratic Representation & Mgt	223,600	14,000	35,100	1,100	40,700				0		314,500
		228,600	14,000	30,800	1,100	40,400			0	0	0	314,900
270	Future Model Transformation	0		0						(133,100)		(133,100)
		2,000	0	118,700	0	0			0	0	0	120,700
<b>TOTAL Corporate &amp; Democratic Core</b>		<b>223,600</b>	<b>14,000</b>	<b>208,700</b>	<b>1,100</b>	<b>40,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(133,100)</b>	<b>0</b>	<b>355,000</b>
		<b>230,600</b>	<b>14,000</b>	<b>323,100</b>	<b>1,100</b>	<b>40,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>609,200</b>
<b>Central Services to the Public</b>												
202	Business Rates Collection			4,300					(5,100)		(93,000)	(93,800)
		0	0	2,600	0	0			0	0	(90,000)	(87,400)
209	Council Tax Benefit Admin			3,200							(51,000)	(47,800)
		0	0	2,700	0	0			0	0	(54,300)	(51,600)
216	Council Tax Collection			34,700					(101,200)			(66,500)
		0	0	26,100	0	0			0	(1,500)	0	24,600
213	Electoral Registration	0		44,000					(1,200)			42,800
		100	0	42,900	0	0			0	0	0	43,000
253	Civil Emergencies			33,900								33,900
		0	0	22,029,500	0	0			0	(900,200)	(23,180,900)	(2,051,600)
254	Election Management			96,500	600						0	97,100
		0	0	96,500	600	0			0	0	0	97,100
255	Land Charges			16,100	0				(124,300)			(108,200)
		0	0	12,100	0	0			(95,000)	0	0	(82,900)
<b>TOTAL Central Services</b>		<b>0</b>	<b>0</b>	<b>232,700</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(231,800)</b>	<b>0</b>	<b>(144,000)</b>	<b>(142,500)</b>
		<b>100</b>	<b>0</b>	<b>22,212,400</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(95,000)</b>	<b>(901,700)</b>	<b>(23,325,200)</b>	<b>(2,108,800)</b>

ORIGINAL 20/21 Top  
REVISED 20/21 Bottom (GREEN)

		Direct Costs				Recharges		Income				Net Budget £ (1,963,900)
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	
<b>Cultural, Environmental &amp; Cultural Services</b>												
501, 502, 503, 509, 520, 522	Sport	0	0	176,100	24,400	0			0	(630,000)	0	
		0	0	673,700	24,400	0			(5,300)	(1,000)	0	(429,500)
122, 506, 508	Community Centres	0	0	26,600	5,900	0			0	(6,000)	0	26,500
		0	0	19,600	9,300	0			0	(6,400)	0	22,500
505, 511, 514, 516, 518, 519	Parks & Open Spaces	32,000	0	258,300	212,900	0			(843,000)	(41,000)	0	(380,800)
		0	0	344,900	218,300	0			(404,800)	(178,600)	0	(20,200)
542, 546	Heritage	0	0	4,300	3,400	0			0	0	0	7,700
		0	0	3,200	3,400	0			0	0	0	6,600
309	Rivers		6,500	41,200	2,400				(182,400)	(7,400)		(139,700)
		0	6,100	56,600	2,400	0			(51,000)	(136,700)	0	(122,600)
320, 325, 330	Tourism	14,300	0	30,300	0	0			0	0	0	44,600
		0	0	47,400	0	0			0	0	0	47,400
<b>TOTAL Cultural Services</b>		46,300	6,500	536,800	249,000	0	0	0	(1,025,400)	(684,400)	0	(871,200)
		0	6,100	1,145,400	257,800	0	0	0	(461,100)	(322,700)	0	625,500
												861,500
<b>Environmental Services</b>												
340	Public Entertainment Licences			30,600					(56,700)			(26,100)
		0	0	30,700	0	0			(51,800)	(2,600)	0	(23,700)
341	Hackney Carriage			18,800					(35,200)			(16,400)
		0	0	14,900	0	0			(900)	(28,100)	0	(14,100)
550	Public Conveniences			110,600	18,900							129,500
		0	0	115,100	18,900	0			0	0	0	134,000
555	Cemeteries			59,000	12,900				(139,600)			(67,700)
		0	0	85,200	12,900	0			(112,800)	(300)	0	(15,000)
562, 563	Community Safety	0	0	35,100	0	0			0	(14,300)	0	20,800
		0	0	40,100	0	0			0	(14,300)	0	25,800
576, 579, 581	Waste Management	0	2,900	3,579,400	220,900	0			(2,024,500)	(700)	0	1,778,000
		0	2,500	3,701,000	220,900	0			(2,177,600)	(900)	0	1,745,900
566, 567, 570, 571, 572, 573, 577	Other Environmental Health	0	2,500	53,600	2,200	0			(59,400)	0	0	(1,100)
		0	1,400	118,300	2,200	0			(49,100)	(500)	0	72,300
<b>TOTAL Environmental Services</b>		0	5,400	3,887,100	254,900	0	0	0	(2,315,400)	(15,000)	0	1,817,000
		0	3,900	4,105,300	254,900	0	0	0	(2,392,200)	(46,700)	0	1,925,200
												143,700
<b>Planning &amp; Development Services</b>												
232	Discretionary Rate Relief											0
		0	0	0	0	0			0	0	0	0
301	Planning Policy			162,000					0	(135,500)	0	26,500
		0	0	89,500	0	0			0	0	0	89,500
302	Development Control			119,000					(823,400)	0	0	(704,400)
		0	0	111,000	0	0			(500,000)	(5,000)	0	(394,000)
303	Building Regs - Fee Related			4,000					(143,600)			(139,600)
		0	0	500	0	0			(143,600)	0	0	(143,100)
313	Building Regs - Non Fee Related			0					0			0
		0	0	0	0	0			0	0	0	0
304	Building Conservation			1,800					0	0	0	1,800
		0	0	1,800	0	0			0	0	0	1,800
305	Economic Development			0						0	0	0
		0	0	20,300	0	0			0	0	0	20,300
307	Gypsy & Traveller			8,200								8,200
		0	0	8,200	0	0			0	0	0	8,200
317	Bradwell B											
		0	0	172,400	0	0			0	(135,500)	0	36,900
565	Community Grants			73,500	0					0		73,500
		0	0	73,500	0	0			0	0	0	73,500
<b>TOTALPlanning &amp; Development Services</b>		0	0	368,500	0	0	0	0	(967,000)	(135,500)	0	(734,000)
		0	0	477,200	0	0	0	0	(643,600)	(140,500)	0	(306,900)

ORIGINAL 20/21 Top  
REVISED 20/21 Bottom (GREEN)

		Direct Costs				Recharges			Income			
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	Net Budget £
		481,400										
<b>Highways, Roads &amp; Transport</b>												
311	Highways											0
		0	0	0	0	0			0	0	0	0
312	Street Naming			8,900								8,900
		0	0	8,900	0	0			0	0	0	8,900
534, 535	Off Street Parking	0	0	153,600	15,000	0			(900,400)	0	0	(731,800)
		0	0	177,300	15,000	0			(482,400)	0	0	(290,100)
<b>TOTAL Highways, Roads &amp; Transport Services</b>		0	0	162,500	15,000	0	0	0	(900,400)	0	0	(722,900)
		0	0	186,200	15,000	0	0	0	(482,400)	0	0	(281,200)
<b>Housing Services</b>		286,300										
204	Rent Allowances			14,575,400						(258,000)	(14,157,500)	159,900
		0	0	11,559,600	0	0			0	(345,100)	(11,054,600)	159,900
203	Housing Benefits Admin			12,300					(7,000)		(130,000)	(124,700)
		0	0	11,700	0	0			0	(3,000)	(118,300)	(109,600)
591, 592, 593, 598	Other Housing Services	0	0	137,000	0	0			(40,500)	(5,000)	(112,400)	(20,900)
		0	0	201,400	0	0			(50,000)	(10,000)	(176,900)	(35,500)
<b>TOTAL Housing Services</b>		0	0	14,724,700	0	0	0	0	(47,500)	(263,000)	(14,399,900)	14,300
		0	0	11,772,700	0	0	0	0	(50,000)	(358,100)	(11,349,800)	14,800
<b>Non Distributed Costs</b>		121,300										
257	Non Distributed Costs											0
		0	0	0	0	0			0	0	0	0
<b>TOTAL Non Distributed Costs</b>		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
<b>Other Services</b>												
224	Misc Land & Property			4,400	0				(35,500)			(31,100)
		0	0	4,600	0	0			0	(68,500)	0	(63,900)
225	Industrial Sites			2,800	0				(114,900)			(112,100)
		0	0	1,800	0	0			0	(114,900)	0	(113,100)
<b>TOTAL Other Services</b>		0	0	7,200	0	0	0	0	(150,400)	0	0	(143,200)
		0	0	6,400	0	0	0	0	0	(183,400)	0	(177,000)
		(33,800)										
<b>SUB TOTAL</b>												
	ORIGINAL 20/21	9,419,200	101,200	21,630,600	813,000	0	0	0	(5,677,200)	(1,798,500)	(14,543,900)	9,944,400
	REVISED 20/21	9,483,300	99,400	42,026,700	821,800	306,400	0	0	(4,170,700)	(2,559,500)	(34,688,700)	11,318,700
Less Vacancy/Savings Allowance												
<b>TOTAL AGREED BUDGET</b>												
	ORIGINAL 20/21	9,419,200	101,200	21,630,600	813,000	0	0	0	(5,677,200)	(1,798,500)	(14,543,900)	9,944,400
	REVISED 20/21	9,483,300	99,400	42,026,700	821,800	306,400	0	0	(4,170,700)	(2,559,500)	(34,688,700)	11,318,700

ORIGINAL 20/21 Top  
ORIGINAL 21/22 Bottom  
(YELLOW)

		Direct Costs				Recharges		Income				APPENDIX 3
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	Net Budget £
<b>Service Management &amp; Support Services</b>												
172	Strategy, Performance & Governance	1,319,800	4,400	10,700		8,300						1,343,200
		1,446,000	4,400	10,700	0	8,200			0	0	0	1,469,300
171	Resources	2,174,300		21,900		102,900						2,299,100
		2,332,500	0	28,100	0	101,600			0	0	0	2,462,200
170	Service Delivery	5,564,700	2,200	31,000		156,300						5,754,200
		6,019,300	9,500	39,800	0	154,200			0	0	0	6,222,800
101	Corporate Core	0	500	3,400							0	3,900
		0	0	2,000	0	0			0	0	0	2,000
102	Election Services	0	0	1,000								1,000
		0	0	200	0	0			0	0	0	200
103	Policy & Comms	0	0	13,700	0						0	13,700
		0	0	0	0	0			0	0	0	0
104	Training			61,100							0	61,100
		0	0	49,200	0	0			0	0	0	49,200
105	Human Resources	0	0	20,500								20,500
		0	0	32,800	0	0			0	0	0	32,800
106	Apprentices	18,000		0								18,000
		18,000	0	0	0	0			0	0	0	18,000
108	Committee Services	0	0	18,900					(10,000)			8,900
		0	0	23,100	0	0			0	(10,000)	0	13,100
109	General Office Support	0	0	200	0							200
		0	0	0	0	0			0	0	0	0
110	Customer Services	0	0	16,100	0					(30,400)		(14,300)
		0	0	16,700	0	0			0	0	0	16,700
111	Internal Audit & Perf. Review	0	0	70,400							0	70,400
		0	0	72,400	0	0			0	0	0	72,400
113	Finance	0	0	38,800	0						0	38,800
		0	0	39,400	0	0			0	0	0	39,400
114	Revenues & Benefits	0	0	104,000	0					(309,700)		(205,700)
		0	0	105,000	0	0			0	(227,000)	0	(122,000)
118	Leisure & Community	0	600	64,500	0					(9,000)		56,100
		0	200	65,800	0	0			0	(9,000)	0	57,000
119	IT Services	0	0	525,700	161,100							686,800
		0	0	534,300	164,300	0			0	0	0	698,600
121	Council Offices	400	0	283,100	94,900	(308,200)				(70,200)		0
		400	0	261,700	94,900	(304,000)			0	(53,000)	0	0
124	Princes Rd Depot			15,700	3,100							18,800
		0	0	15,500	3,100				0	0	0	18,600
129	Legal Services			0	0							0
		0	0	0	0				0	0	0	0
132	Environmental Health	0	0	10,200							0	10,200
		0	0	11,200	0	0			0	0	0	11,200
133	Environmental Waste	0	0	1,400							0	1,400
		0	0	1,700	0	0			0	0	0	1,700
134	Housing	0	0	11,700							0	11,700
		0	0	7,400	0	0			0	0	0	7,400
141	Parks & Countryside Services	72,100	54,000	110,300	27,300	0	0	0	(29,300)	(60,700)	0	173,700
		74,600	46,900	104,300	33,800	0	0	0	(46,400)	(75,000)	0	138,200
149	Nursery			0	400							400
		0	0	0	400	0			0	0	0	400
153	Parks Rangers	0	8,100	6,900	2,000					(85,000)		(68,000)
		0	7,200	8,700	4,300	0			0	(96,200)	0	(76,000)
155	Prom Depot			10,400	3,600					(2,500)		11,500
		0	0	10,900	3,600				0	(2,500)	0	12,000

ORIGINAL 20/21 Top ORIGINAL 21/22 Bottom (YELLOW)		APPENDIX 3										
Cost Centre	Description	Direct Costs				Recharges			Income			Net Budget
		Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	
163	Enforcement	0	0	5,600							0	5,600
		0	0	6,200	0	0			0	0	0	6,200
164	Economic Development	0	0	400								400
		0	0	500	0	0			0	0	0	500
165	Planning Policy Services	0	0	3,000								3,000
		0	0	3,100	0	0			0	0	0	3,100
166	Planning Admin Services	0	0	26,100								26,100
		0	0	24,900	0	0			0	0	0	24,900
167	Development Control Services	0	0	11,400							0	11,400
		0	0	11,900	0	0			0	0	0	11,900
168	Building Control Services	0	5,500	4,300								9,800
		0	5,500	5,100	0	0			0	0	0	10,600
<b>TOTAL Service Management &amp; Support Services</b>		<b>9,149,300</b>	<b>75,300</b>	<b>1,502,400</b>	<b>292,400</b>	<b>(40,700)</b>	<b>0</b>	<b>0</b>	<b>(39,300)</b>	<b>(567,500)</b>	<b>0</b>	<b>10,371,900</b>
		<b>9,890,800</b>	<b>73,700</b>	<b>1,492,600</b>	<b>304,400</b>	<b>(40,000)</b>	<b>0</b>	<b>0</b>	<b>(46,400)</b>	<b>(472,700)</b>	<b>0</b>	<b>11,202,400</b>
												1,175,100
<b>Central Services Corporate Core &amp; Democratic Core</b>												
256	Corporate Management			173,600					0		0	173,600
		0	0	545,900	0	0			0	0	(371,400)	174,500
260	Democratic Representation & Mgt	223,600	14,000	35,100	1,100	40,700					0	314,500
		228,600	14,000	27,200	1,100	40,000			0	0	0	310,900
270	Future Model Transformation	0		0						(133,100)		(133,100)
		0	0	0	0	0			0	0	0	0
<b>TOTAL Corporate &amp; Democratic Core</b>		<b>223,600</b>	<b>14,000</b>	<b>208,700</b>	<b>1,100</b>	<b>40,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(133,100)</b>	<b>0</b>	<b>355,000</b>
		<b>228,600</b>	<b>14,000</b>	<b>573,100</b>	<b>1,100</b>	<b>40,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(371,400)</b>	<b>485,400</b>
												(461,700)
<b>Central Services to the Public</b>												
202	Business Rates Collection			4,300					(5,100)		(93,000)	(93,800)
		0	0	4,300	0	0			0	(5,100)	(90,000)	(90,800)
209	Council Tax Benefit Admin			3,200							(51,000)	(47,800)
		0	0	3,200	0	0			0	0	(54,300)	(51,100)
216	Council Tax Collection			34,700					(101,200)			(66,500)
		0	0	34,600	0	0			(101,200)		0	(66,600)
213	Electoral Registration	0		44,000					(1,200)			42,800
		0	0	43,600	0	0			0	0	0	43,600
253	Civil Emergencies			33,900								33,900
		0	0	37,900	0	0			0	0	0	37,900
254	Election Management			96,500	600						0	97,100
		0	0	96,500	600	0			0	0	0	97,100
255	Land Charges			16,100	0				(124,300)			(108,200)
		0	0	70,400	0	0			(124,300)	0	0	(53,900)
<b>TOTAL Central Services</b>		<b>0</b>	<b>0</b>	<b>232,700</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(231,800)</b>	<b>0</b>	<b>(144,000)</b>	<b>(142,500)</b>
		<b>0</b>	<b>0</b>	<b>290,500</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(225,500)</b>	<b>(5,100)</b>	<b>(144,300)</b>	<b>(83,800)</b>



## APPENDIX 3

ORIGINAL 20/21 Top ORIGINAL 21/22 Bottom (YELLOW)		Direct Costs				Recharges		Income			APPENDIX 3	
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	Net Budget £
												61,100
<b><u>Cultural, Environmental &amp; Planning Services</u></b>												
<b><u>Cultural Services</u></b>												
501, 502, 503, 509, 520, 522	Sport	0	0	176,100	24,400	0			0	(630,000)	0	(429,500)
		0	0	184,200	24,400	0			0	(638,200)	0	(429,600)
122, 506, 508	Community Centres	0	0	26,600	5,900	0			0	(6,000)	0	26,500
		0	0	25,600	9,300	0			0	(7,400)	0	27,500
505, 511, 514, 516, 518, 519	Parks & Open Spaces	32,000	0	258,300	212,900	0			(843,000)	(41,000)	0	(380,800)
		32,000	0	319,200	219,300	0			(635,400)	(224,700)	0	(289,600)
542, 546	Heritage	0	0	4,300	3,400	0			0	0	0	7,700
		0	0	4,000	3,400	0			0	0	0	7,400
309	Rivers		6,500	41,200	2,400				(182,400)	(7,400)		(139,700)
		0	6,100	36,900	2,400	0			(37,000)	(136,100)	0	(127,700)
320, 325, 330	Tourism	14,300	0	30,300	0	0			0	0	0	44,600
		0	0	47,500	0	0			0	0	0	47,500
<b><u>TOTAL Cultural Services</u></b>		46,300	6,500	536,800	249,000	0	0	0	(1,025,400)	(684,400)	0	(871,200)
		32,000	6,100	617,400	258,800	0	0	0	(672,400)	(1,006,400)	0	(764,500)
												(528,500)
<b><u>Environmental Services</u></b>												
340	Public Entertainment Licences			30,600					(56,700)			(26,100)
		0	0	30,600	0	0			(51,000)	(5,700)	0	(26,100)
341	Hackney Carriage			18,800					(35,200)			(16,400)
		0	0	18,800	0	0			(1,800)	(33,400)	0	(16,400)
550	Public Conveniences			110,600	18,900							129,500
		0	0	114,700	18,900	0			0	0	0	133,600
555	Cemeteries			59,000	12,900				(139,600)			(67,700)
		0	0	47,600	14,600	0			(139,000)	(300)	0	(77,100)
562, 563	Community Safety	0	0	35,100	0	0			0	(14,300)	0	20,800
		0	0	38,100	0	0			0	(14,300)	0	23,800
576, 579, 581	Waste Management	0	2,900	3,579,400	220,900	0			(2,024,500)	(700)	0	1,778,000
		0	2,500	3,794,900	222,200	0			(2,168,300)	(700)	0	1,850,600
566, 567, 570, 571, 572, 573, 577	Other Environmental Health	0	2,500	53,600	2,200	0			(59,400)	0	0	(1,100)
		0	1,400	53,700	2,200	0			(59,200)	(700)	0	(2,600)
<b><u>TOTAL Environmental Services</u></b>		0	5,400	3,887,100	254,900	0	0	0	(2,315,400)	(15,000)	0	1,817,000
		0	3,900	4,098,400	257,900	0	0	0	(2,419,300)	(55,100)	0	1,885,800
												104,300
<b><u>Planning &amp; Development Services</u></b>												
232	Discretionary Rate Relief											0
301	Planning Policy			162,000					0	(135,500)	0	26,500
		0	0	796,500	0	0			0	0	0	796,500
302	Development Control			119,000					(823,400)	0	0	(704,400)
		0	0	119,000	0	0			(807,800)	(15,600)	0	(704,400)
303	Building Regs - Fee Related			4,000					(143,600)			(139,600)
		0	0	500	0	0			(151,500)	0	0	(151,000)
313	Building Regs - Non Fee Related			0					0			0
		0	0	0	0	0			0	0	0	0
304	Building Conservation			1,800					0	0	0	1,800
		0	0	1,800	0	0			0	0	0	1,800
305	Economic Development			0						0	0	0
		0	0	0	0	0			0	0	0	0
307	Gypsy & Traveller			8,200								8,200
		0	0	8,400	0	0			0	0	0	8,400
317	Bradwell B											0
		0	0	0	0	0			0	0	0	0
565	Community Grants			73,500	0					0		73,500
		0	0	75,000	0	0			0	0	0	75,000
<b><u>TOTALPlanning &amp; Development Services</u></b>		0	0	368,500	0	0	0	0	(967,000)	(135,500)	0	(734,000)
		0	0	1,001,200	0	0	0	0	(959,300)	(15,600)	0	26,300

## APPENDIX 3

ORIGINAL 20/21 Top ORIGINAL 21/22 Bottom (YELLOW)		Direct Costs				Recharges			Income			Net Budget £ 814,600
Cost Centre	Description	Staffing £	Transport £	Goods and Services £	Capital Charges £	Offices and Depots £	Support in £	Support out £	Fees and Charges £	Other Income £	Government Grant £	
<b>Highways, Roads &amp; Transport Services</b>												
311	Highways	0	0	0	0	0			0	0	0	
312	Street Naming			8,900								8,900
		0	0	8,900	0	0			0	0	0	8,900
534, 535	Off Street Parking	0	0	153,600	15,000	0			(900,400)	0	0	(731,800)
		0	0	172,000	15,000	0			(900,200)	0	0	(713,200)
<b>TOTAL Highways, Roads &amp; Transport Services</b>		0	0	162,500	15,000	0	0	0	(900,400)	0	0	(722,900)
		0	0	180,900	15,000	0	0	0	(900,200)	0	0	(704,300)
<b>Housing Services</b>												(136,800)
204	Rent Allowances			14,575,400						(258,000)	(14,157,500)	159,900
		0	0	11,559,600	0	0			0	(345,100)	(11,054,600)	159,900
203	Housing Benefits Admin			12,300					(7,000)		(130,000)	(124,700)
		0	0	12,200	0	0			0	(7,000)	(110,000)	(104,800)
591, 592, 593, 598	Other Housing Services	0	0	137,000	0	0			(40,500)	(5,000)	(112,400)	(20,900)
		0	0	177,900	0	0			(13,000)	(32,500)	(142,300)	(9,900)
<b>TOTAL Housing Services</b>		0	0	14,724,700	0	0	0	0	(47,500)	(263,000)	(14,399,900)	14,300
		0	0	11,749,700	0	0	0	0	(13,000)	(384,600)	(11,306,900)	45,200
<b>Non Distributed Costs</b>												151,700
257	Non Distributed Costs											0
		0	0	0	0	0			0	0	0	0
<b>TOTAL Non Distributed Costs</b>		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
<b>Other Services</b>												
224	Misc Land & Property			4,400	0				(35,500)			(31,100)
		0	0	4,400	0	0			0	(68,500)	0	(64,100)
225	Industrial Sites			2,800	0				(114,900)			(112,100)
		0	0	2,800	0	0			0	(114,900)	0	(112,100)
<b>TOTAL Other Services</b>		0	0	7,200	0	0	0	0	(150,400)	0	0	(143,200)
		0	0	7,200	0	0	0	0	0	(183,400)	0	(176,200)
												(33,000)
<b>SUB TOTAL</b>		9,419,200	101,200	21,630,600	813,000	0	0	0	(5,677,200)	(1,798,500)	(14,543,900)	9,944,400
<b>Less Vacancy/Savings Allowance 1%</b>		10,151,400	97,700	20,011,000	837,800	0	0	0	(5,236,100)	(2,122,900)	(11,822,600)	11,916,300
<b>TOTAL AGREED BUDGET</b>		9,419,200	101,200	21,630,600	813,000	0	0	0	(5,677,200)	(1,798,500)	(14,543,900)	9,944,400
		10,151,400	97,700	20,011,000	837,800	0	0	0	(5,236,100)	(2,122,900)	(11,822,600)	11,916,300



Reserve	Purpose	Review Mechanism	Balance 31-Mar-20 £000's	Movement £000's	Balance 31-Mar-21 £000's	Movement £000's	Balance 31-Mar-22 £000's	Movement £000's	Balance 31-Mar-23 £000's	Movement £000's	Balance 31-Mar-24 £000's
Transformation	To provide funds to meet the one-off investment costs of efficiency savings or service reductions to be realised in future years. Also to enable the upfront costs of potential income generating projects.	Annually by the Strategic and Resources Committee at final accounts approval stage	952		952	0	952	-17	935	-343	592
Community Sports Network/Health & Wellbeing	The Council has schemes for awarding grants. The time limits on these grants exceed the financial year in which budget provision is made, necessitating a reserve to cover outstanding liabilities.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	41		41		41		41		41
Insurance liability	The Council maintains external insurance policies to cover major risks. In many cases the policies have excess clauses that require the Council to meet the first part of each claim. The Council has established this reserve to cover its liabilities under policy excesses, finance any claims for small risks not insured externally and cover any future liability that may arise from winding up of Municipal Mutual Insurance.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	52		52		52		52		52
Repairs & renewals fund	To provide funds to support additional revenue / capital costs arising from the need to maintain the Council's Asset base	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	203	-26	177		177		177		177
Revenue commitments	This reserve exists to smooth out the timing differences between monies being earmarked to expenditure from the annual revenue budget and the expenditure actually occurring	Annually by the Strategic and Resources Committee at final accounts approval stage	591	-591	0		0		0		0
Community Infrastructure levy and LDP review	Money has been put aside from unspent budgets to support the creation and adoption of the delayed LDP	Annually by the Strategic and Resources Committee at final accounts approval stage	226	-61	165		165		165		165
New Homes Bonus reserve	LDP Review	Annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	638	646	1,284	-793	491	-491	0		0
Neighbourhood Plan Applications	To provide funding for preparation of Neighbourhood Plans	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	29		29		29		29		29
Waste Contract Implementation	Money set aside towards the procurement and mobilisation of the new Waste contract	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	15		15		15		15		15
Homeless reduction Act Grant	Reserve set up to use three years of grant funding for Homelessness Reduction Officer.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	57		57		57		57		57
Business Rates equalisation	This reserve is to counter the timing differences in Business Rates funding.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	833		833	-163	670		670		670
Pensions Reserve	To provide a reserve to enable the Authority to forward fund the pension deficit for 3 years in 2020.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	116	-116	0	520	520	520	1,040	-1,040	0
Community Housing Fund Grant	Reserve to support Community-led housing delivery.Objective is to help deliver affordable housing aimed at first time buyers in response to the problem second homes can cause in reducing supply.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	116		116		116		116		116
Other Reserves	Other reserves have been set up in relation to the continuation of projects for which external funds have been received but have not been fully utilised within that particular year.	Bi-annually by the Strategic and Resources Committee at budget setting and final accounts approval stages	282		282		282		282		282
Total Earmarked Reserves			4,151	-148	4,003	-436	3,567	12	3,579	-1,383	2,196

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## **Section 151 Officer's statement on robustness of budgets and adequacy of reserves**

### **Introduction**

The Section 151 Officer (S151 of the Local Government Act 1972) is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

*(1) Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major precepting authority) or section 85 of the Greater London Authority Act 1999 (c.29) (Great London Authority) applies is making calculations in accordance with that section, the chief finance officer of the authority must report to it on the following matters-*

*(a) The robustness of the estimates made for the purposes of the calculations, and*

*(b) The adequacy of the proposed financial reserves.*

*(2) An authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.*

This includes reporting and taking into account:

- The key assumptions in the proposed budget and to give a view on the robustness of those assumptions.
- The key risk areas in the budget and to assess the adequacy of the Council's reserves when reviewing the potential financial impact of these risk areas on the finances of the Council. This should be accompanied by a Reserves Strategy.

This report has to be considered and approved by Council as part of the budget approval and Council Tax setting process.

This document concentrates on the 2021/22 Revenue Budget Estimates, the proposed Capital Programme, Capital Strategy and Investment Strategy, but in addition it also considers key medium-term issues faced by the Council.

### **Assurance Statement of the Council's Section 151 Officer**

The following are the summary assurances and recommendations of the Council's Section 151 Officer.

In relation to the 2021/22 budget, I have examined the budget proposals and I believe that, whilst the spending and service delivery proposals are challenging, they are nevertheless achievable given the political and management will to implement them, good management, and the sound monitoring of performance and budgets. I am satisfied that sufficient management processes exist within the Council to deliver this budget and to identify and deal with issues which may arise unexpectedly during the year.

1. My assurance is conditional upon:

- The agreement of a Medium-Term Financial Strategy for 2021/22 to 2023/24.
  - The continued impact of the COVID-19 pandemic. Whilst the Council has identified finances to utilise as contingencies against the pandemic the future remains uncertain as to the exact path of the recovery and timescale. Of particular concern is the £629k income from the leisure centre management fee and support for the centres. An extension to the government's income compensation scheme until 30 June 2021 provides a period of government support in terms of the income.
  - A recognition in the medium term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it may not be possible to match the two at any single point in time. The Council needs to show a commitment to maintain reserves at a level which provides adequate cover for most identified risks during the planning period. This approach is pragmatic and shows a clear commitment to prudent financial planning.
  - Councillors, Directors, Service Managers and budget holders managing their services with challenge on spending decisions and giving due regard to and exercising the financial controls and checks set out within the Council's Financial Regulations and Contract Standing Orders and delegations and spending within budget.
  - That the Council has arrangements and resources in place to consider value for money in preparation for future years' budgets.
2. In relation to the adequacy of reserves, the overall position is that the authority has healthy balances across the General Fund and Capital but recognises that over the medium term these are reducing rapidly. The

policy on reserves and use of balances is set out annually and agreed in the medium term financial strategy.

3. In relation to the General Fund Capital Programme 2021/22, balances remain healthy, but the position is changing as capital receipts decline.

*Assurance*

Given all these factors, I, as the Council's Section 151 Officer, consider the estimates for 2021/22 to be sufficiently robust, but challenging, for approval by the Council. I am also able to advise the Council that the planned level of usable General Fund Reserves and the working balance is adequate.

**Chris Leslie, Director of Resources (Section 151 Officer)**

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## **REPORT of DIRECTOR OF RESOURCES**

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to  
**COUNCIL (EXTRAORDINARY)  
23 FEBRUARY 2021**

### **COUNCIL TAX 2021 / 22**

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

- 1.1 The Council is required to set out the total amount that needs to be raised from Council Tax in the forthcoming year. This is known as the Council Tax precept (Council Tax Requirement) for Maldon District Council and forms part of the funding that supports the services provided by the Council. Ultimately, this report sets the amount of Council Tax charged to each household in the District.
- 1.2 The report not only details the average amount of Council Tax charged by Maldon but also includes the total amounts of Council Tax expected to be collected for Essex County Council, the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (EPFCCFRA) for both Fire and Police services, and the various Parish Councils within the District.

#### **2. RECOMMENDATIONS**

- (i) that Maldon District Council's Council Tax Requirement for 2021/22 is set at £5,176,517;
- (ii) that the Maldon District Council's Band D Council Tax (excluding Parish precepts) is set at £207.40, reflecting an increase of £5.00, all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended;
- (iii) that the precept demands and level of Band D Council Tax of the Essex County Council, the EPFCCFRA for both Police and Fire, and the various Parish Councils within the District be determined as set out in the report, all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended;
- (iv) that the Council agrees the resolution set out at **APPENDIX A**.

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

- 3.1 The Council is statutorily required to determine its own Council Tax Requirement and, including precepts determined by the other precepting authorities, to determine the Council Tax for the 2021 / 22 financial year (**APPENDIX A**).

3.2 Setting the level of council tax to be charged and calculating the total amount of council tax to be drawn from the collection fund is the final stage of the budget process. Council tax is a major form of funding that pays for the services provided to residents. The amount of funding the council may raise in council tax is limited by:

- the number and council tax valuation band of the properties in the district on which a charge for council tax can be applied (referred to as the council tax base); and
- the maximum increase that may be applied to the current council tax level (without a referendum being triggered).

3.3 Maldon's council tax base for 2021 / 22 expressed as Band D equivalent properties is 24,959.9 and was agreed by the Council on 17 December 2020.

3.4 The Government laid before the House of Commons a written ministerial statement on the Final Referendum Principles for approval. For Maldon District Council, if it wished to raise its relevant basic amount of Council Tax for 2021 / 22 by:

(a) 2%, or more, greater than its relevant basic amount of council tax for 2020/21; and

(b) more than £5 greater than its relevant basic amount of council tax for 2020/21

then a referendum of the local electorate would be required to approve or veto the increase.

3.5 The Council is intending to increase its own Council Tax by £5, which is within the referendum thresholds. The table below illustrates the impact of the £5 increase for each of the council tax bands:

A	B	C	D	E	F	G	H
£3.33	£3.89	£4.44	£5.00	£6.11	£7.23	£8.33	£10.00

3.6 Essex County Council is reporting a budget and precept increase of 1.5%, including an increase of the Adult Social Care Precept by 1.5%. The Police and Crime Commissioner for Essex and Essex County Fire and Rescue Service are reporting their budget increases of 4.98% and 0% respectively.

### 3.7 Maldon District Council's Council Tax Requirement 2021 / 22

3.7.1 The Council Tax Requirement as calculated and recommended is £5,176,517. The table below illustrates the calculation:

	2020/21	2021/22
	£	£
Maldon District Council Net Budget Requirement	8,252,125	7,887,143
<b>Government Grant</b>		
Baseline Business Rates	(1,532,486)	(1,532,486)
Business Rates Retention Scheme	(859,282)	(781,516)
Renewable Energy	(746,164)	(743,686)
Collection Fund Net Surplus	(35,815)	347,064
<b>Maldon District Council Tax Requirement</b>	<b>5,078,378</b>	<b>5,176,517</b>



- 3.7.2 The Council Tax Requirement including all preceptors is shown in the table below. The percentage increase is due to both an increase in the Tax Base and the Budget Requirement.

<b>Precepting and Billing Authority</b>	<b>2020/21 £</b>	<b>2021/22 £</b>	<b>Change %</b>
Essex County Council	33,147,707	33,467,907	0.97%
Essex County Fire and Rescue Service	1,853,959	1,844,228	-0.52%
Office of the Police and Crime Commissioner for Essex	4,983,786	5,204,721	4.43%
Maldon District Council	5,078,378	5,176,517	1.93%
Parish Council's (Aggregate)	1,562,128	1,570,952	0.56%
<b>Total</b>	<b>46,625,958</b>	<b>47,264,325</b>	<b>1.37%</b>

- 3.7.3 The Average Council Tax for each household is calculated by taking the precept requirement and dividing it by the Council Tax Base. The average is always shown as Band D equivalent. All other bands are calculated by applying a ratio to the Band D Council Tax.
- 3.7.4 The table below shows the resulting Band D Council Tax amount for each of the precepting authorities that make up the Council Tax bill. The Parish element is not shown in this table as it will be different for each Parish area depending on the amount of the Parish precept. The individual Parish Precepts are show in **APPENDIX A section 3 (g)**.

<b>Precepting and Billing Authority</b>	<b>2020/21 £</b>	<b>2020/21 £</b>	<b>Change %</b>
Essex County Council	1,321.11	1,340.91	1.50%
Essex County Fire and Rescue Service	73.89	73.89	0.00%
Office of the Police and Crime Commissioner for Essex	198.63	208.53	4.98%
Maldon District Council	202.40	207.40	2.47%
<b>Total</b>	<b>1,796.03</b>	<b>1,830.73</b>	<b>1.93%</b>

- 3.7.5 The 2021 / 22 average Parish Band D Council Tax increase equates to £34.70 and gives an overall Band D average charge of £1,830.73 compared to the current year Band D average charge of £1,796.03
- 3.7.6 In accordance with Section 30-36 of the Local Government and Finance Act, 1992, as amended, the Council Tax payable for each band of property by Parish taking into account the individual precept requirement for each Parish Council has been calculated as set out in **APPENDIX A – Table A**.

## **4. CONCLUSION**

- 4.1 The Council as the billing authority is statutorily required to determine its own Council Tax Requirement and include the precepts determined and notified to the Council by the precepting authorities, to determine the Council Tax for the 2021 / 22 financial year. This report and the Appendices do that.

## 5. IMPACT ON STRATEGIC THEMES

- 5.1 This report discharges the Council's statutory function as a Council Tax billing authority.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – The report and the Appendices sets out the Council Tax that will be payable by residents of the District for the financial year commencing 1 April 2021.
- (ii) **Impact on Equalities** – None arising directly from this report.
- (iii) **Impact on Risk** – Significant legal and statutory default risk if the Council fails to set the Council Tax for its area for 2021 / 22.
- (iv) **Impact on Resources (financial)** – Significant financial and statutory default risk if the Council fails to set the Council Tax for its area for 2021 / 22.
- (v) **Impact on Resources (human)** – None arising from this report.
- (vi) **Impact on the Environment** – None arising directly from this report.

### Background Papers:

Council Tax Base Report to the Council on 17 December 2020.

### Enquiries to:

Lance Porteous, Lead Finance Specialist, (email: lance.porteous@maldon.gov.uk).

**COUNCIL TAX 2021/22 RESOLUTION**

The Council is recommended to resolve as follows:

1. That it be noted that at its meeting on 17 December 2020 the Council calculated its Council Tax Base for the year 2021/22:
  - (a) for the whole district as 24,959.9 [Item T in the formula in Section 31B of the Local Government Finance Act 1992 (the Act), as amended by the Localism Act 2011; and
  - (b) for dwellings in those parts of its district to which a Parish precept relates as listed below:

Althorne	510.3
Asheldham	63.7
Bradwell-on-Sea	334.7
Burnham-on-Crouch	3,337.2
Cold Norton	497.4
Dengie	51.9
Goldhanger	310.5
Great Braxted	178.9
Great Totham	1,280.1
Hazeleigh	60.3
Heybridge	2,745.7
Heybridge Basin	269.5
Langford	86.6
Latchingdon	467.6
Little Braxted	85.5
Little Totham	193.8
Maldon	5,387.9
Mayland	1,459.9
Mundon	154.5
North Fambridge	408.3
Purleigh	561.6
Southminster	1,559.7
St. Lawrence	585.5
Steeple	191.6
Stow Maries	88.5
Tillingham	392.0
Tollesbury	981.3
Tolleshunt D'arcy	439.0
Tolleshunt Knights	423.3
Tolleshunt Major	272.9
Ulting	69.2
Wickham Bishops	979.7
Woodham Mortimer	255.3
Woodham Walter	275.2
	<b>24,959.1</b>

2. Calculate that the Council Tax Requirement for the Council's own purposes for 2021/22 (excluding Parish precepts) is £5,176,517.
  
3. That the following amounts be calculated by the Council for the year 2021/22 in accordance with new Sections 31 to 36 of the Act as amended:
  - (a) £29,902,595      being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act, taking into account all precepts issued to it by Parish Councils (**i.e. gross expenditure including Parish precepts**)
  
  - (b) £23,155,126      being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act (**i.e. gross income including government grants**)
  
  - (c) £6,747,469      being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax Requirement for the year (Item R in the formula in Section 31B of the Act) (**i.e. Council Tax Requirement including Parish precepts**).
  
  - (d) £270.34      being the amount at 3(c) above (Item R) divided by the amount at 1(a) above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (**i.e. average Band D Council Tax including Parish precepts**)
  
  - (e) £1, 570,952      being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (**i.e. Parish Council precepts**)
  
  - (f) £207.40      being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates (**i.e. District Council Band D Council Tax excluding Parish precepts**).

(g) Basic Amount of Council Tax by Parish 2021/22

<b>Town/Parish</b>	<b>Local Precept</b>	<b>Town/Parish Band D</b>	<b>District + Town/Parish Band D</b>
Althorne	21,500.00	42.13	249.53
Asheldham	3,408.17	53.50	260.90
Bradwell-on-Sea	27,000.00	80.67	288.07
Burnham-on-Crouch	203,441.00	60.96	268.36
Cold Norton	38,189.00	76.78	284.18
Dengie	2,776.83	53.50	260.90
Goldhanger	9,250.00	29.79	237.19
Great Braxted	8,323.00	46.52	253.92
Great Totham	17,102.00	13.36	220.76
Hazeleigh	1,057.92	17.54	224.94
Heybridge	200,000.00	72.84	280.24
Heybridge Basin	34,000.00	126.16	333.56
Langford	5,191.00	59.94	267.34
Latchingdon	53,000.00	113.34	320.74
Little Braxted	4,400.00	51.46	258.86
Little Totham	8,450.00	43.60	251.00
Maldon	369,123.00	68.51	275.91
Mayland	100,249.00	68.67	276.07
Mundon	4,750.00	30.74	238.14
North Fambridge	17,650.00	43.23	250.63
Purleigh	44,000.00	78.35	285.75
Southminster	140,990.00	90.40	297.80
St. Lawrence	24,570.00	41.96	249.36
Steeple	8,915.00	46.53	253.93
Stow Maries	6,500.00	73.45	280.85
Tillingham	35,000.00	89.29	296.69
Tollesbury	89,902.00	91.62	299.02
Tolleshunt D'arcy	21,515.00	49.01	256.41
Tolleshunt Knights	10,000.00	23.62	231.02
Tolleshunt Major	8,400.00	30.78	238.18
Ulting	3,509.00	50.71	258.11
Wickham Bishops	20,276.00	20.70	228.10
Woodham Mortimer	4,479.08	17.54	224.94
Woodham Walter	24,035.00	87.34	294.74

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

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

<b>PARISH</b>	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
Althorne	166.36	194.08	221.81	249.53	304.98	360.43	415.89	499.06
Asheldham	173.94	202.92	231.92	260.90	318.88	376.86	434.84	521.80
Bradwell-on-Sea	192.05	224.05	256.07	288.07	352.09	416.10	480.12	576.14
Burnham-on-Crouch	178.91	208.72	238.55	268.36	328.00	387.63	447.27	536.72
Cold Norton	189.46	221.03	252.61	284.18	347.33	410.48	473.64	568.36
Dengie	173.94	202.92	231.92	260.90	318.88	376.86	434.84	521.80
Goldhanger	158.13	184.48	210.84	237.19	289.90	342.61	395.32	474.38
Great Braxted	169.28	197.49	225.71	253.92	310.35	366.78	423.20	507.84
Great Totham	147.18	171.70	196.24	220.76	269.82	318.88	367.94	441.52
Hazeleigh	149.96	174.95	199.95	224.94	274.93	324.92	374.90	449.88
Heybridge	186.83	217.96	249.11	280.24	342.52	404.79	467.07	560.48
Heybridge Basin	222.38	259.43	296.50	333.56	407.69	481.81	555.94	667.12
Langford	178.23	207.93	237.64	267.34	326.75	386.16	445.57	534.68
Latchingdon	213.83	249.46	285.11	320.74	392.02	463.29	534.57	641.48
Little Braxted	172.58	201.33	230.10	258.86	316.39	373.91	431.44	517.72
Little Totham	167.34	195.22	223.12	251.00	306.78	362.56	418.34	502.00
Maldon	183.94	214.60	245.26	275.91	337.22	398.54	459.85	551.82
Mayland	184.05	214.72	245.40	276.07	337.42	398.77	460.12	552.14
Mundon	158.76	185.22	211.68	238.14	291.06	343.98	396.90	476.28
North Fambridge	167.09	194.93	222.79	250.63	306.33	362.02	417.72	501.26
Purleigh	190.50	222.25	254.00	285.75	349.25	412.75	476.25	571.50
Southminster	198.54	231.62	264.72	297.80	363.98	430.16	496.34	595.60
St. Lawrence	166.24	193.95	221.66	249.36	304.77	360.19	415.60	498.72
Steeple	169.29	197.50	225.72	253.93	310.36	366.79	423.22	507.86
Stow Maries	187.24	218.44	249.65	280.85	343.26	405.67	468.09	561.70
Tillingham	197.80	230.76	263.73	296.69	362.62	428.55	494.49	593.38
Tollesbury	199.35	232.57	265.80	299.02	365.47	431.92	498.37	598.04
Tolleshunt D'arcy	170.94	199.43	227.92	256.41	313.39	370.37	427.35	512.82
Tolleshunt Knights	154.02	179.68	205.36	231.02	282.36	333.70	385.04	462.04
Tolleshunt Major	158.79	185.25	211.72	238.18	291.11	344.04	396.97	476.36
Ulting	172.08	200.75	229.44	258.11	315.47	372.83	430.19	516.22
Wickham Bishops	152.07	177.41	202.76	228.10	278.79	329.48	380.17	456.20
Woodham Mortimer	149.96	174.95	199.95	224.94	274.93	324.92	374.90	449.88
Woodham Walter	196.50	229.24	262.00	294.74	360.24	425.74	491.24	589.48

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

That it be noted for the year 2021/22 the major precepting authorities have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below:

<b>Precepting Authority</b>	<b>Valuation Bands</b>			
Essex County Council	A	£893.94	E	£1,638.89
	B	£1,042.93	F	£1,936.87
	C	£1,191.92	G	£2,234.85
	D	£1,340.91	H	£2,681.82
Essex PFCC F&RA Essex Police and Crime Commissioner	A	£139.02	E	£254.87
	B	£162.19	F	£301.21
	C	£185.36	G	£347.55
	D	£208.53	H	£417.06
Essex PFCC F&RA Essex Fire and Rescue Authority	A	£49.26	E	£90.31
	B	£57.47	F	£106.73
	C	£65.68	G	£123.15
	D	£73.89	H	£147.78

5. That, having calculated the aggregate in each case of the amounts at 3(h) and 4 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the year 2021/22 for each part of its area and for each of the categories of dwelling shown in Table A attached.
6. Determines that the Council's basic amount of Council Tax for 2021/22 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.

As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2021/22 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992, as amended.

**TABLE A**

**Total Council Tax Amounts (£) by Band and Area 2021/22**

Parish/Area	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Althorne	1,248.58	1,456.67	1,664.77	1,872.86	2,289.05	2,705.24	3,121.44	3,745.72
Asheldham	1,256.16	1,465.51	1,674.88	1,884.23	2,302.95	2,721.67	3,140.39	3,768.46
Bradwell-on-Sea	1,274.27	1,486.64	1,699.03	1,911.40	2,336.16	2,760.91	3,185.67	3,822.80
Burnham-on-Crouch	1,261.13	1,471.31	1,681.51	1,891.69	2,312.07	2,732.44	3,152.82	3,783.38
Cold Norton	1,271.68	1,483.62	1,695.57	1,907.51	2,331.40	2,755.29	3,179.19	3,815.02
Dengie	1,256.16	1,465.51	1,674.88	1,884.23	2,302.95	2,721.67	3,140.39	3,768.46
Goldhanger	1,240.35	1,447.07	1,653.80	1,860.52	2,273.97	2,687.42	3,100.87	3,721.04
Great Braxted	1,251.50	1,460.08	1,668.67	1,877.25	2,294.42	2,711.59	3,128.75	3,754.50
Great Totham	1,229.40	1,434.29	1,639.20	1,844.09	2,253.89	2,663.69	3,073.49	3,688.18
Hazeleigh	1,232.18	1,437.54	1,642.91	1,848.27	2,259.00	2,669.73	3,080.45	3,696.54
Heybridge	1,269.05	1,480.55	1,692.07	1,903.57	2,326.59	2,749.60	3,172.62	3,807.14
Heybridge Basin	1,304.60	1,522.02	1,739.46	1,956.89	2,391.76	2,826.62	3,261.49	3,913.78
Langford	1,260.45	1,470.52	1,680.60	1,890.67	2,310.82	2,730.97	3,151.12	3,781.34
Latchingdon	1,296.05	1,512.05	1,728.07	1,944.07	2,376.09	2,808.10	3,240.12	3,888.14
Little Braxted	1,254.80	1,463.92	1,673.06	1,882.19	2,300.46	2,718.72	3,136.99	3,764.38
Little Totham	1,249.56	1,457.81	1,666.08	1,874.33	2,290.85	2,707.37	3,123.89	3,748.66
Maldon	1,266.16	1,477.19	1,688.22	1,899.24	2,321.29	2,743.35	3,165.40	3,798.48
Mayland	1,266.27	1,477.31	1,688.36	1,899.40	2,321.49	2,743.58	3,165.67	3,798.80
Mundon	1,240.98	1,447.81	1,654.64	1,861.47	2,275.13	2,688.79	3,102.45	3,722.94
North Fambridge	1,249.31	1,457.52	1,665.75	1,873.96	2,290.40	2,706.83	3,123.27	3,747.92
Purleigh	1,272.72	1,484.84	1,696.96	1,909.08	2,333.32	2,757.56	3,181.80	3,818.16
Southminster	1,280.76	1,494.21	1,707.68	1,921.13	2,348.05	2,774.97	3,201.89	3,842.26
St. Lawrence	1,248.46	1,456.54	1,664.62	1,872.69	2,288.84	2,705.00	3,121.15	3,745.38
Steeple	1,251.51	1,460.09	1,668.68	1,877.26	2,294.43	2,711.60	3,128.77	3,754.52
Stow Maries	1,269.46	1,481.03	1,692.61	1,904.18	2,327.33	2,750.48	3,173.64	3,808.36
Tillingham	1,280.02	1,493.35	1,706.69	1,920.02	2,346.69	2,773.36	3,200.04	3,840.04
Tollesbury	1,281.57	1,495.16	1,708.76	1,922.35	2,349.54	2,776.73	3,203.92	3,844.70
Tolleshunt D'arcy	1,253.16	1,462.02	1,670.88	1,879.74	2,297.46	2,715.18	3,132.90	3,759.48
Tolleshunt Knights	1,236.24	1,442.27	1,648.32	1,854.35	2,266.43	2,678.51	3,090.59	3,708.70
Tolleshunt Major	1,241.01	1,447.84	1,654.68	1,861.51	2,275.18	2,688.85	3,102.52	3,723.02
Ulting	1,254.30	1,463.34	1,672.40	1,881.44	2,299.54	2,717.64	3,135.74	3,762.88
Wickham Bishops	1,234.29	1,440.00	1,645.72	1,851.43	2,262.86	2,674.29	3,085.72	3,702.86
Woodham Mortimer	1,232.18	1,437.54	1,642.91	1,848.27	2,259.00	2,669.73	3,080.45	3,696.54
Woodham Walter	1,278.72	1,491.83	1,704.96	1,918.07	2,344.31	2,770.55	3,196.79	3,836.14





**REPORT of  
DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE**

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**to  
COUNCIL (EXTRAORDINARY)  
23 FEBRUARY 2021**

**HIGH STREET RESET AND RECOVERY - MALDON HIGH STREET  
CONSULTATION**

**1. PURPOSE OF THE REPORT**

- 1.1 To report on the headline results of the Maldon High Street Consultation as part of the Member-led High Street Reset and Recovery Group's response to necessary restrictions brought about by the Covid-19 response and the funding opportunity to widen Maldon's High Street.
- 1.2 To highlight the existing work programmes within the Maldon and Heybridge Central Area Masterplan Supplementary Planning Document (SPD) 2017 (CAMP SPD) and Air Quality Management Area Action Plan 2020-2025 (AQMA AP) that align with the findings of the Maldon High Street Consultation results and the working partnership with Essex County Council's Strategic Highways and Transportation Team.
- 1.3 To set out the working partnership with Essex County Council's Sustainable Transport Team to move forward with a sustainable future for Maldon's High Street and connectivity to the wider area including opportunities through behavioural change, a changing High Street and funding for investment in sustainable transport infrastructure.

**2. RECOMMENDATION**

That Members note the significant work that has been undertaken to support Maldon High Street, including the survey undertaken and to note that this work will now be taken forward as part of business as usual and with the already agreed policies within the Local Development Plan.

**3. SUMMARY OF KEY ISSUES**

- 3.1 The Maldon High Street Consultation (The Consultation) took place between 5 October – 16 November 2020 as part of the wider High Street Recovery Strategy in consultation with the Council's Interim Measures Group to respond to Covid-19 restrictions and restart. The nature of Maldon's historic High Street does not lend itself to simply reallocate road space to people walking and cycling, accessing essential shops, queuing outside shops and supporting businesses to recover and apply strict social distancing measures. Maldon's High Street is multi-functional for 2-way

traffic, deliveries to retail premises, six bus route operations, with only one lay-by, plus areas of narrow pavement and pinch points. However, in considering the response and recovery to the Covid-19 crisis the High Street could adapt to meet new, existing and previous challenges.

- 3.2 The Consultation considered earlier engagement with Members at a workshop on 3 June 2020, a High Street business survey in August 2020, Year 6 and Year 7 school children in July 2020 and through the draft AQMA AP public consultation to take forward opportunities for a one-way traffic system, pavement widening for walking and cycling, improved air quality and public realm enhancements to encourage walking and cycling, ensure social distancing and to deliver longer term transformation and improvement.
- 3.3 The AQMA AP was approved by the Council on 2 July 2020 (Minute No. 1040 refers). Work has begun with Essex County Council, transport providers and businesses to improve air quality for residents and raise health awareness. The plan includes actions to improve air quality such as cleaner transport and clean air walking and cycling routes. This work is taken through the Member-led Air Quality Management (Market Hill) Working Group.
- 3.4 The Consultation also considered the CAMP SPD adopted by the Council in November 2017 supplementing Strategic Policy S5 *Maldon and Heybridge Central Area* in the Local Development Plan (LDP). CAMP is economically driven with 18 projects to grow the local economy by regenerating the Causeway, the District's largest employment allocation in the LDP (Policy E1 Employment), retaining the retail function of Maldon's High Street (Policy E2 Retail Provision, LDP) and promoting tourism (Policy E5 Tourism, LDP) within the Leisure Quarter centred on Promenade Park and Hythe Quay. Delivery of the LDP and supporting Supplementary Documents (SPDs) is a Corporate Priority taken through policy, projects, actions, communication and partnerships within the Strategic Themes of Place, Prosperity and Community. As an SPD, CAMP was prepared collaboratively with statutory consultees, including Essex County Council Highways and Transportation Team, and stakeholder engagement with a 6-week public consultation that included residents, businesses and the community.
- 3.5 Two resulting CAMP projects focus directly on Maldon's High Street: Project 1 *Upper High Street Improvements* and Project 2 *Lower High Street Improvements*.
- 3.6 Project 1 CAMP seeks to remove the dominance of the motor vehicle on Maldon's High Street through a shared space scheme to give priority to the pedestrian and cyclist with wider pavements and decluttering of unnecessary transport infrastructure. Project 1 CAMP is active and aligns with the AQMA AP and partnership working with Essex County Council Highways and Transportation Team and Sustainable Transport Team to promote sustainable transport options (public transport, walking and cycling). CAMP Project 1 is considered through the Member-led Air Quality Management (Market Hill) Working Group.
- 3.7 The Council endorsed the 'Lower High Street Action Plan and Town Centre Strategy' to implement Project 2 CAMP on 16 July 2020 (Minute No. 1080 refers). Project 2 seeks to change the dynamic on Maldon's High Street with a point of arrival in Promenade Park's car park via Limebrook Way (Southern Bypass) with 'park and

stride’ and ‘park and ride’ options to access the High Street via the Lower End. This would relieve some capacity in the main town centre car parks and encourage footfall via the Lower High Street to the middle and upper sections of the High Street that would, in turn, improve the retail offer. Implementation of the Lower High Street Action Plan and Town Centre Strategy will be taken through the Member-led Maldon High Street Focus Group. However, because of the current restrictions affecting ‘increased footfall’ and ‘improved retail offer’, the work of this Group is delayed.

- 3.8 In summary, the aim of the Consultation was to re-affirm and re-assert the adopted LDP Policy, supporting SPDs, strategies and action plans whilst taking funding opportunities through the Covid-19 response and recovery to support Maldon High Street’s sustainable future. High Streets must adapt to changing consumer habits (on-line shopping), behavioural change to reduce the environmental impacts of pollution on our health and wellbeing (promoting walking, cycling and public transport) and adapting to climate change through decarbonisation and sustainable transport options.
- 3.9 The Consultation results were positive. The headlines from the Consultation are:
- Majority would like improvements to the High Street and support a pavement widening scheme;
  - Majority would like to see the High Street prioritised for people.
- 3.10 Sustainable transport options and investment in transport infrastructure have been and are being actively sought through funding opportunities in partnership with Essex County Council (ECC) for Maldon’s High Street and the wider area. Sustainable transport options and investment in transport infrastructure are required to reduce reliance on the motor vehicle by residents, businesses and visitors by improving public transport options to reduce pollution, reduce congestion and improve air quality.
- 3.11 Widening the pavements on Maldon’s High Street will encourage walking and cycling to the High Street and prioritise pedestrians. Taking the dominance of the motor vehicle from the High Street and creating more pavement space will allow public realm enhancements for an attractive and inviting High Street to experience. An attractive and inviting High Street will attract visitors, support the community and business community and grow the local economy.
- 3.12 Access to the High Street will be considered through actions with the AQMA AP and ECC’s preparation of a Sustainable Transport Strategy for Maldon to review existing public transport options and analyse vehicle origin and destination to ultimately relieve queuing and congestion on Market Hill. Local connectivity is addressed through the CAMP Movement and Connectivity Framework to connect Maldon and Heybridge via safe off-road walking and cycling routes supported by ECC’s Maldon Cycle Action Plan and CAMP Project 7 Heybridge Creek Connection and Project 8 The Causeway Corridor and the projects described in paragraphs 3.6 and 3.7 above.
- 3.13 Reconnecting Maldon as a ‘main settlement’ (Policy S8, LDP) to the National Rail Service at Witham could have wider sustainable transport options to level up the District’s connectivity within the County and Eastern Region. ECC has published their Sustainable Modes of Transport Strategy, 2020 and Transport East are preparing their Strategy to 2050. The short, direct connection between Maldon and Witham

could remove commuter vehicles from the road network, address anti-social parking in neighbouring settlements to access rail services in Hatfield Peverel and Witham, reduce congestion on local B-roads and reduce pollution. Alternative sustainable transport options connect those living, working and learning in the District. Good sustainable transport options will reap socio economic benefits to regenerate the District's largest employment area (that grew around the former Maldon East Railway Station) maintain the retail focus of Maldon's High Street and promote tourism to the District's coast and countryside that are detailed in Strategic Policy S5, LDP.

- 3.14 Seeking sustainable transport options addresses the environmental impacts of climate change to reduce pollution from motor vehicles and move to cleaner, greener, healthier modes of sustainable transport.

#### **4. CONCLUSION**

- 4.1 In response to the Covid-19 restrictions and work to restart and recover the local economy, the opportunity was taken to apply for funding to adapt Maldon's High Street and in so doing, also address existing challenges and progress projects set out in the adopted LDP, adopted SPDs and approved Strategies and Action Plans.
- 4.2 The Consultation results re-assert LDP policy and strategy, CAMP SPD projects and AQMA AP actions which, in turn, are a basis for funding applications to be prepared.
- 4.3 Partnerships and internal Council Working Groups are aligned and are progressing and addressing the challenges Maldon's High Street faces to deliver a sustainable future.
- 4.4 The results of the High Street Consultation and its alignment with LDP Policy, SPDs, Strategies and Action Plans supports the emerging Maldon District Climate Change Statement to address the environmental impacts of Climate Change.

#### **5. IMPACT ON STRATEGIC THEMES**

- 5.1 The adopted LDP, Maldon and Heybridge Central Area Masterplan SPD and Air Quality Management Area Action Plan support the Strategic Theme of Place as set out in the Corporate Plan for sustainable growth and new infrastructure and address the environmental impacts of climate change.
- 5.2 The adopted LDP and Maldon and Heybridge Central Area Masterplan SPD support the Strategic Theme of Prosperity as set out in the Corporate Plan to engage efficiently and effectively with businesses.
- 5.3 The adopted LDP, Maldon and Heybridge Central Area Masterplan and Air Quality Management Area Action Plan support the Strategic Theme of Community as set out in the Corporate Plan to support strong and resilient communities.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – The Consultation has reaffirmed LDP Policy, Strategy and Actions to deliver tangible results and includes the community to influence change.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk** – The Consultation is aligned with LDP Policy and has been managed effectively and reported to Members via CLT and Interim Measures Group
- (iv) **Impact on Resources (financial and human)** – The Consultation was programmed to internal work streams. The Consultation underpins adopted LDP Policy, Strategy and Actions and consequent opportunities for funding.
- (v) **Impact on the Environment** – The Consultation promotes sustainable transport and environmental improvement.
- (vi) **Impact on Strengthening Communities** – The High Street Consultation has galvanised support for change in the resident and business communities and local community groups.

### Background Papers:

Local Development Plan 2014-2029 adopted 2017

[https://www.maldon.gov.uk/info/20048/planning\\_policy/9311/approved\\_local\\_development\\_plan\\_21\\_july\\_2017](https://www.maldon.gov.uk/info/20048/planning_policy/9311/approved_local_development_plan_21_july_2017)

Maldon and Heybridge Central Area Masterplan SPD Nov 2017:

[https://www.maldon.gov.uk/info/20048/planning\\_policy/9226/urban\\_design/3](https://www.maldon.gov.uk/info/20048/planning_policy/9226/urban_design/3)

Market Hill Air Quality Management Area Action Plan 2020-2025, MDC, July 2020

[https://www.maldon.gov.uk/info/20099/pollution/9148/air\\_quality](https://www.maldon.gov.uk/info/20099/pollution/9148/air_quality)

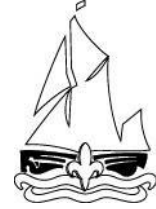
Maldon Cycle Strategy, ECC Highways, January 2018 [www.essexhighways.org](http://www.essexhighways.org)

Sustainable Modes of Transport Strategy, ECC, 2020 <https://www.essex.gov.uk/sustainable-travel>

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**REPORT of  
DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE**

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**to  
COUNCIL (EXTRAORDINARY)  
23 FEBRUARY 2021**

**BRADWELL B PROGRAMME CLOSEDOWN AND LOCAL DEVELOPMENT  
PLAN REVIEW**

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

- 1.1 The purpose of this report is to consider the implications of the Bradwell B Programme closedown and the opportunity to bring forward the review of the Local Development Plan, utilising work that has already commenced as much as possible and redeploying the fixed term staffing resources from the Bradwell B project.

## **2. RECOMMENDATIONS**

- (i) that the impacts of the Bradwell B project closedown and funding withdrawal be noted;
- (ii) that Members agree there is an opportunity to bring forward the review of the Maldon District Local Development Plan, including utilising staff from the Bradwell Team where possible to accelerate delivery;
- (iii) that Members consider and approve the Maldon District Local Development Scheme 2021 - 2024 as set out in **APPENDIX 1**.

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

### **3.1 Impacts of Bradwell B Project Closedown and BRB Funding Withdrawal**

- 3.1.1 On 29 January 2021, BRB wrote to the Council advising that due to the impacts of the Covid-19 pandemic, engagement with local authorities is to pause and the current funding agreement will be withdrawn for at least 12 months.
- 3.1.2 The funding had enabled the Council to put in place a multi-disciplinary project team to manage the additional burdens created by the Bradwell B project, including resourcing the engagement in the Development Consent Order process. This project is now in the process of being closed down but remains sensitive as it has implications for contractors and staff on fixed-term contracts.
- 3.1.3 BRB has made it clear that despite the closedown, it remains committed to bringing forward more detailed proposals for a new nuclear power station at Bradwell-on-Sea in due course. In light of this, it would be of a longer-term advantage to the Council if

it were to be in a position where it can quickly re-assemble a Bradwell B project team, with previous expertise and specific knowledge of the project, in order to ensure continuity when the project is restarted.

### 3.2 Local Development Plan Review

- 3.2.1 The instruction to close down the project team and the withdrawal of funding also has an implication on the Bradwell B Development Plan Document (DPD) which the Council agreed to prepare in February 2020 (Minute No. 770 refers); preparation for which had already commenced in accordance with the statutory Local Development Scheme 2020 - 2022 (LDS).
- 3.2.2 The responsibility for progressing the Bradwell B DPD as set out in the LDS remains, but the delivery will need to transfer to the Local Plans Team following the funding for the Bradwell Project Team being withdrawn by BRB.
- 3.2.3 The Council has already considered the recommendations from the Strategy and Resources Committee held on 28 January 2021 in respect of budget setting and the Medium-Term Financial Strategy (MTFS) 2021 / 22 – 2023 / 24. This included a £1m investment between 2021 and 2024 for reviewing the Local Development Plan (LDP) and a £0.594m investment to deliver a suite of planning policy products including the Bradwell B DPD, Planning Obligations Supplementary Planning Document, North Quay Development Brief and a Community Infrastructure Levy as set out in the LDS 2020 - 2022.
- 3.2.4 In setting the 2021 / 22 budget, consideration was given to the need to review the LDP. Specifically, this relates to Policy S2 and S3 which relate to the District's housing target until 2029 and the trajectory for its development per annum. The Council's statutory Authority Monitoring Report 2019 / 20 reported that the District's performance on housing delivery in its Garden Suburbs and Strategic Allocations had unfortunately missed a target set within the policies for completions over three consecutive years, meaning the Council had hit its own trigger for a partial review of the LDP being needed.
- 3.2.5 This position is compounded by the inability of the District to maintain a five-year housing land supply; which is contrary to the National Planning Policy Framework (NPPF).
- 3.2.6 Combined, these have the potential to undermine the operation of the planning system in the District and could give rise to more development occurring in undesirable and unplanned locations and a reduced effectiveness of Neighbourhood Plans that have been prepared by Parish Councils.
- 3.2.7 Paragraph 33 of the NPPF states *"Policies in Local Plans...should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary. Reviews should be completed no later than five years from the adoption date of a plan and should take into account the changing circumstances affecting the area, or any relevant changes to national policies"*.
- 3.2.8 The Maldon District Local Development Plan 2014 - 2029 was adopted in July 2017 and therefore in accordance with Paragraph 33 of the NPPF above, the LDP would



need to be assessed for review by July 2022 at the latest. Since the LDP's adoption, the District's environmental, economic and social circumstances have been changing; not least of all the recent decision to declare a Climate Emergency on 4 February 2021, the impacts of the Covid-19 pandemic, the UK's departure from the European Union, as well as the reduction in the supply of land for housing.

- 3.2.9 In addition, the Government has proposed changes to the planning system in England to make it more responsive to national socio-economic needs, infrastructure delivery and environmental issues.
- 3.2.10 It is therefore considered an opportune time to bring forward a review of the LDP to ensure that Maldon District's planning policy framework remains fit for purpose and responsive to the District's changing needs.
- 3.2.11 To this end, Officers have updated the LDS to prioritise delivering an LDP Review, utilising the budget investment from the MTFS, which is being recommended to Council for approval at this meeting (**APPENDIX 1**).

### **3.3 Delivering the LDP Review - Staffing Implications**

- 3.3.1 The LDP Review will be led by the Local Plans Team. In the establishment, this team consists of five officers of different experience levels reporting to the Strategy, Policy and Communications Manager. Functionally, policy activities are supported by the Lead Specialist – Place who also has oversight of related disciplines including Development Management, Building Control, Street Naming and Numbering and Land Charges.
- 3.3.2 At present, three of the Local Plan posts are vacant; two of them long-term, despite multiple attempts to recruit to them since they were created.
- 3.3.3 With the pausing of the Bradwell B project reported to the Council on 4 February 2021, the Council is now in a unique position to be able to repurpose its additional town planning and project administration expertise to new project priorities if they are needed. These skills neatly match those needed in the Local Plans Team to support the delivery of the LDP Review.
- 3.3.4 Whilst policy production is adequately covered by the Local Plan Team's structure (assuming no posts are vacant), in practice it is not considered that this works as effectively as it could for policy implementation. This includes engagement with neighbouring authorities and statutory bodies on strategic and cross-boundary matters, Section 106 / Community Infrastructure Levy (CIL) policy, as well as development and policy monitoring.
- 3.3.5 It is therefore proposed that the Local Plans Team be redesigned into a "Planning Policy and Implementation Project Team" to accommodate the redeployed officers in an effective way to address functional gaps in the existing service.
- 3.3.6 Allowances were already made in the LDP budget assumptions reported to the Strategy and Resources Committee on 28 January 2021 that part of the budget would be required to bring in additional staffing resources, on a temporary basis, to resource

busier times in the LDP's production, including the evidence base updates, site assessments and public consultation periods.

- 3.3.7 By re-deploying the planning and project administration expertise the Council already has in its employment from the Bradwell B Project Team, it is considered that the Council should be able reduce its reliance on consultants for some of the evidence base work and produce the LDP Review up to six months faster (assuming a reasonable response to a future Call for Sites and any connected evaluation work); thereby bringing forward the submission and Examination in Public before a Planning Inspector to early 2023 and securing adoption by the end of 2023.

#### 3.4 Next Steps

- 3.4.1 Work had already commenced as part of the Bradwell B DPD on updating the evidence for local housing needs and updating our understanding of the local economy. This work has been conducted in a way in which it can also be utilised for the LDP Review. In Spring 2021, work for the DPD was due to commence with a Call for Sites and an updated Housing and Economic Land Availability Assessment (HELAA), which with the additional staffing resources mentioned above can now be accelerated. With the additional resources, work can continue with preparing a Planning Obligations SPD and CIL, which should ensure the District is in a better place to secure contributions from development to invest in District infrastructure.
- 3.4.2 Consideration will need to be given to the establishment of a Planning Policy Working Group to ensure there is adequate, cross party Member engagement in the development of policy and guidance documents set out in the LDS. This will be addressed in a future report to the Council.

### 4. CONCLUSION

- 4.1 Following the close down on the Bradwell B project, it is recommended that the redeployment of fixed term contracted staff to the current Local Plans team should be permitted to enable the Council to deliver the LDP Review faster, whilst also preserving as much of the expertise built-up in the Bradwell B project team that could be re-deployed once BRB restart the Development Consent Order process.

### 5. IMPACT ON STRATEGIC THEMES

- 5.1 The LDP Review would deliver benefits across all three strategic themes, allowing them to respond better to the challenges facing the District.

### 6. IMPLICATIONS

- (i) **Impact on Customers** - By redeploying staff and redesigning the Local Plans team into a Planning Policy and Implementation team, our customers will be supported better by an accelerated LDP Review preparation.

- (ii) **Impact on Equalities** – By reviewing the LDP, the development needs of all communities and for all protected characteristics can be considered.
- (iii) **Impact on Risk** – By redeploying staff and redesigning the Local Plans team into a Planning Policy and Implementation Team, the Council should be in a better position to restart the Bradwell B project team at a point in the future when the Development Consent Order process is relaunched, assuming those staff remain in the council’s employment.
- (iv) **Impact on Resources (financial)** – By redeploying staff and redesigning the Local Plans team into a Planning Policy and Implementation team, fixed-term contract costs from the Bradwell B team will have to be absorbed by the LDP budget. Assumptions had already been made that some of the investment will be needed for additional staffing costs to assist preparation. Shortening the LDP Review production timetable by up to six months and spending funds on salaries will mean the budget will need to be reprofiled from the assumptions set out in the MTFS and Budget.
- (v) **Impact on Resources (human)** – The staff on fixed-term contracts will be redeployed to the new Planning Policy and Implementation Team (currently the Local Plans team). This may require individual contractual changes but will reduce the need to recruit agency staff to cover vacant roles and avoid the need for early termination of fixed-term contracts.
- (vi) **Impact on the Environment** – Investing in the LDP Review will mean that the planning policy framework for the District can be updated to ensure it is able to better respond to the District’s environmental challenges and secure environmental improvements through development.
- (vii) **Impact on Strengthening Communities** - Investing in the LDP will mean that the planning policy framework for the District can be updated to ensure it is able to better respond to the District’s socio-economic challenges and secure improvements through development.

Background Papers: None.

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**MALDON DISTRICT COUNCIL  
LOCAL DEVELOPMENT SCHEME  
2021 –2024**



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## 1.0 INTRODUCTION

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- 1.1 The Planning and Compulsory Purchase Act 2004, as amended by the Localism Act 2011, requires local planning authorities to prepare and maintain a Local Development Scheme (LDS). The purpose of the LDS is to set out the subject matter, area to be covered and timetable for the preparation and revision of local development documents, including Supplementary Planning Documents (SPDs) as well as other planning policy documents such as development briefs, Conservation Area character appraisals and LDP evidence base documents.
- 1.2 In essence, it is a project plan setting out the timetable for work to be undertaken from March 2021 until February 2024. It sets out details of the documents that will be given priority during this period.
- 1.3 This LDS has been prepared having regard to the Localism Act 2011, the Government's National Planning Policy Framework (NPPF) February 2019, and the Town and Country Planning (Local Planning) (England) Regulations 2012 and the Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2017.
- 1.4 This LDS document will:
  - Provide details on the review of the Local Development Plan (LDP)
  - Provide details on Supplementary Planning Documents, other planning policy documents and Evidence Base documents that the Council intends to produce and a timetable for their preparation up to February 2024;
  - Outline the 'Milestones' to be achieved as part of the process leading to the adoption of the various documents;
  - Provide information on the Authority Monitoring Report;
  - Set out the resources available and any constraints.
- 1.5 It is important that plans for the future development of the District are produced in a timely and efficient manner. If not, development which is crucial to the social, economic and environmental well-being of the District and its residents may be delayed, the co-ordination of development and infrastructure provision may be difficult to achieve and it puts at risk the Council's ability to defend planning decisions at appeals.

## 2.0 MALDON DISTRICT DEVELOPMENT PLAN

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- 2.1 The Maldon District Local Development Plan (LDP) together with the Essex Minerals and Waste Local Plans and any made Neighbourhood plans are part of the statutory Development Plan for the District. All planning applications should be determined in accordance with the Development Plan unless material considerations indicate otherwise.
- 2.2 On the 21 July 2017, the Secretary of State Approved the Maldon District Local Development Plan (LDP). The LDP includes the following components:

- The spatial strategy for future growth within the District for the period up to 2029;
  - Strategic development policies;
  - Development management policies; and
  - Land use allocations.
- 2.3 The diagram at Appendix 1 sets out how the LDP sits within the hierarchy of planning policy and supporting documents. The Policies Map illustrates the LDP, but does not form part of it.
- 2.4 On approval, the LDP replaced the 'Saved Policies' in the Replacement Local Plan (2005) and became the Development Plan for the District. The approved LDP policies are listed in Appendix 2.
- 2.5 Under regulation 10A of The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) local planning authorities must review local plans, and Statements of Community Involvement at least once every 5 years from their adoption date to ensure that policies remain relevant and effectively address the needs of the local community.
- 2.6 Local planning authorities must publish information at least annually that shows progress with local plan preparation, report any activity relating to the duty to cooperate, any information collected which relates to indicators in the plan, and any policies which are not being implemented. Local planning authorities can also use the Authority Monitoring Report to provide up-to-date information on the implementation of any neighbourhood plans that have been brought into force and monitor the provision of housing for older and disabled people. It can help inform if there is a need to undertake a partial or full update of the local plan, when carrying out a review at least every 5 years from the adoption date.
- 2.7 The policies in the LDP which cover housing, including those covering the housing target are S2 and S3 and those covering the allocated strategic sites and garden suburbs S3, S4, S5, S6. The other housing policies within the plan are S7, S8, H1, H2, H3, H4, H5, H6, H7 and H8.
- 2.8 Policy S2 is the main housing policy in the LDP, this policy sets out what the housing target for the plan period is and the trajectory for housing in the District to 2029. In terms of delivery it is this policy and policy S3 which dictates a trigger for an early review of the LDP, in that para 2.16 of the LDP states
- “The Council will monitor housing delivery against the housing trajectory for the District using the indicators specified in the Monitoring Framework set out in the LDP. If the Authority Monitoring Report (AMR) demonstrates that the Garden Suburbs and Strategic Allocations deliver less than 75% of their projected housing completions in three consecutive years (based on the trajectories set out in Figure 4 of this Plan), the Council will undertake a partial review of this Plan. In undertaking this review, the Council will ensure that sufficient infrastructure capacity is available and that the potential allocation of additional housing sites will not prejudice delivery of the infrastructure required by the Plan.”
- 2.9 Monitoring for the period 2019/2020 has evidenced that the Councils housing delivery on the Garden Suburbs and Strategic Allocations has now failed to deliver



75% of their projected housing completions in three consecutive years and therefore a partial review of the LDP has been triggered.

- 2.10 Additionally, regarding the 5 year-supply of housing, as at December 2020 the Council cannot evidence a 5-year supply. Therefore, the policies most important for determining housing applications must now be considered out of date (NPPF paragraph 11d and footnote 7). This means that applications will be assessed against the NPPF rather than the LDP.
- 2.11 Considering housing further in terms of delivery, there is now a cumulative shortfall of 384 homes, with 9 years left on the life of the LDP to 2029. This would mean that to accommodate this shortfall the District will have to deliver 353 homes per year. This is higher than the LDP target of 310 homes per annum and the average build rate of 246 homes per annum achieved since 2014. As at 31<sup>st</sup> March 2020 there were 3,165 extant homes with planning permission, which seems sufficient housing to cover the required need, but because homes get permission it does not necessarily mean all of them will come forward. Whilst, the District does have a lapse rate of approximately 1.2%, which is relatively low, taking that into account the District is likely to have a shortfall of housing over the remaining plan period with little or no headroom compounds the case for an early review.
- 2.12 Given the above the Council has determined to carry out a review of its LDP.

Table 1: Timetable for a Review of the Local Development Plan

DOCUMENT TITLE	REVIEW OF THE LOCAL DEVELOPMENT PLAN
<b>Role and Content</b>	To provide an update to the Adopted Local Development Plan 2014 – 2029 this will provide a planning policy framework and development strategy for Maldon District up to 2038
<b>Coverage</b>	Maldon District
<b>Timetable</b>	Consult on Issues and Options –Autumn 2021 Consult on the Preferred Strategy LDP (Reg 18) – Summer 2022 Publish Draft LDP (Reg 19) – Early Spring 2023 Submit to the Secretary of State for Examination – Late Spring 2023 Adoption – Late Autumn 2023
<b>Chain of Conformity</b>	Relevant Planning Acts and Regulations National Planning Policy Framework and Planning Practice Guidance Maldon District Corporate Plan Local Development Plan Evidence base
<b>Resource</b>	Local Plans team; Other Council Officers; Co-operation with neighbouring local planning authorities; Co-operation with relevant stakeholders including infrastructure providers; Use of technology and web-based communication to assist with consultation; and Consultancy support to develop, review and update the evidence base and aid with the examination.

### 3.0 COMMUNITY INFRASTRUCTURE LEVY

- 3.1 The Community Infrastructure Levy (CIL) was introduced by the Planning Act 2008 and defined in the CIL Regulations 2010 (as amended). CIL is a locally set charge on new development that the Council will implement across the District. It is based on the size and type of development and once set in an area is mandatory to be paid and non-negotiable. The funds raised must be used to provide infrastructure which is required to support new development across the area.
- 3.2 CIL must be informed by an Infrastructure Delivery Plan and a CIL Viability Assessment. Both were previously published in 2014 and have been undated in December 2020.
- 3.3 Proposed CIL rates are published within a Draft Charging Schedule. The CIL Regulations 2010 (as amended) currently require consultation to be undertaken before the Draft Charging Schedule can be submitted to government.
- 3.4 Initial consultations were undertaken in 2014 on a Preliminary Draft Charging Schedule and the Draft Charging Schedule, which presented proposed CIL rates.

With updated evidence it is proposed to recommence the work to bring forward CIL in Maldon District.

Table 2: Timetable for a Community Infrastructure Levy

DOCUMENT TITLE	COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE
<b>Role and Content</b>	To establish a charging schedule for the application of a community infrastructure levy on new development
<b>Coverage</b>	Maldon District
<b>Timetable</b>	Consult on Preliminary Draft Charging Schedule – Summer 2021. Publication of Draft Charging Schedule – Autumn 2021 Submit to the Secretary of State for Examination – Winter 2021 Adoption – Late Spring 2022
<b>Chain of Conformity</b>	Relevant Planning Acts and Regulations National Planning Policy Framework and Planning Practice Guidance Maldon District Corporate Plan Local Development Plan Infrastructure Delivery Plan Viability assessment
<b>Resource</b>	Local Plans team; Other Council Officers; Co-operation with neighbouring local planning authorities; Co-operation with relevant stakeholders including infrastructure providers; Use of technology and web-based communication to assist with consultation; and Consultancy support to develop, review and update the evidence base and aid with the examination.

#### 4.0 SUPPLEMENTARY PLANNING DOCUMENTS

- 4.1. Supplementary Planning Documents (SPDs) can be produced to build upon and provide more detailed guidance on the policies in the Local Development Plan. SPDs are not subject to independent examination, but are subject to public consultation lasting 6 weeks. On adoption, SPDs will have material weight in decision-making on planning applications.
- 4.2 The Council has adopted the following SPDs;

Table 3: Adopted Supplementary Planning Documents

TITLE	YEAR OF ADOPTION
Maldon and Heybridge Central Area Masterplan	2017
Maldon District Design Guide	2017
South Maldon Garden Suburb Masterplan	2018
Renewable and Low Carbon Technologies	2018
Specialist Needs Housing	2018
Vehicle Parking Standards	2018
Affordable Housing and Viability	2018
Green Infrastructure Strategy	2019
North Quay Development Brief	2020
Essex Coast Recreational disturbance Avoidance Mitigation Strategy	2020

- 4.3 The Council is considering the adoption of the following SPDs during the period of this LDS.

DOCUMENT TITLE	PLANNING OBLIGATIONS SUPPLEMENTARY PLANNING DOCUMENT
<b>Role and Content</b>	To set out Maldon District Council's approach to seeking Section 106 planning obligations.
<b>Coverage</b>	Maldon District
<b>Timetable</b>	Publish and consult - 6 weeks – Late Autumn 2021 Adoption – Late Spring 2022
<b>Chain of Conformity</b>	Relevant Planning Acts and Regulations National Planning Policy Framework and Planning Practice Guidance Maldon District Council Corporate Plan Local Development Plan Any SPDs Evidence Base
<b>Resource</b>	Local Plans team; Other Council Officers; Co-operation with neighbouring local planning authorities; Co-operation with relevant stakeholders including infrastructure providers; Use of technology and web-based communication to assist with consultation; and Consultancy support to develop, review and update the evidence base and aid with the examination.

- 4.4 The Council will consider whether it is relevant to further update current adopted SPDs as it progresses through the review of the LDP.

## 5.0 MASTERPLANS, DEVELOPMENT BRIEFS AND DESIGN CODES

5.1 Set out below are the masterplans and design codes that have been endorsed by the Council for use in the consideration of planning applications.

Table 4: Masterplans, Development Briefs and Design Codes

TITLE	YEAR OF ADOPTION
North Heybridge Garden Suburb Strategic Masterplan Framework	Endorsed by the Council – October 2014
North Heybridge Suburb Strategic Design Code	Endorsed by the Council – February 2017
South Maldon Garden Suburb Strategic Design Code	Endorsed by the Council – March 2016

## 6.0 CONSERVATION AREA CHARACTER APPRAISALS

6.1 There are 14 Conservation Areas in the District. Twelve have a character appraisal or statement, which summarises the area's special character and appearance and makes recommendations for its appropriate preservation and enhancement.

## 7.0 ESSEX MINERALS AND WASTE LOCAL PLANS

7.1 It should be noted that Essex County Council is the Minerals and Waste Planning Authority for Essex. The Essex Replacement Minerals Local Plan was adopted on the 8<sup>th</sup> July 2014 and the Replacement Waste Local Plan was adopted on the 11<sup>th</sup> July 2017.

## 8.0 NEIGHBOURHOOD PLANS

8.1 The following neighbourhood areas have been designated:

- Althorne Parish Council - designated 3 December 2014
- Burnham-on-Crouch Town Council - designated 24 April 2013
- Great Totham Parish Council - designated 07 November 2016
- Heybridge Parish Council - designated 14 January 2016
- Langford and Ulting Parish Council - designated 24 April 2013
- Latchingdon Parish Council - designated 25 April 2014
- Mayland Parish Council - designated 30 June 2014
- Tollesbury Parish Council - designated 27 February 2014
- Wickham Bishops Parish Council - designated 07 November 2016

8.2 The Burnham on Crouch Neighbourhood Plan was made by the Council on the 7<sup>th</sup> September 2017. Several other Neighbourhood Plans are in the pipeline. Further information on their progress can be found on the Council's website at [www.maldon.gov.uk](http://www.maldon.gov.uk)

## 9.0 STATEMENT OF COMMUNITY INVOLVEMENT

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- 9.1 The Statement of Community Involvement sets out how the community will be engaged in the preparation of planning policy documents and in determining planning applications in the District. The Council adopted the Statement of Community Involvement (SCI) in 2018 and will be reviewing it in 2021.

## 10.0 AUTHORITY MONITORING REPORT

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- 10.1 The Authority Monitoring Report (AMR) monitors the implementation and performance of policies and proposals in the LDP and help to inform whether an LDP review is necessary. The AMR provides further details on the delivery of key LDP targets, including an Annual Position Statement relating to the Council's annual Five Year Housing Land Supply.
- 10.2 The AMR is produced as a series of factsheets. The Council will update and publish the following aspects of the AMR annually:
- A statement on the progress of each document in the LDS project plan;
  - An analysis of how or whether the policies of the LDP are delivering their objectives, including key targets, such as the number of net additional dwellings and the Five Year Housing Land Supply figure;
  - Details of statutory returns such as the number of applicants on the self-build register;
  - Details relating to any neighbourhood plans that have been made in the last monitoring year;
  - Progress on the **Community Infrastructure Levy**;

## 11.0 LDP EVIDENCE BASE

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- 11.1 **The LDP and other policy documents will be supported by evidence-based documents. These documents do not form part of the Development Plan but provide robust and reliable evidence to inform production of new documents. These documents will also provide the evidence for supporting the Council's position through the planning application process. The current evidence base is available to view and download from the Council's website [www.maldon.gov.uk/LDP](http://www.maldon.gov.uk/LDP)**
- 11.2 **Given that the Council has determined to review its LDP, the evidence base that accompanies it will also be reviewed and updated as necessary.**

## 12.0 RESOURCES

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- 12.1 **The Local Plans Team will be responsible for the delivery of the LDP, the production of any Supplementary Planning Documents, CIL, the SCI and the AMR. In addition to these resources, there will also be contributions from other officers within the Council. Several evidence base documents will be produced by consultants within allocated budgets.**

- 12.2 As far as possible, projects will be jointly undertaken by officers to ensure smooth work flow in case of any staff absence. The Council will consider employing consultants if the need arises within allocated budgets to ensure that the timetables for work set out in this LDS are adhered to.
- 12.3 The Council will seek opportunities to work closely with neighbouring authorities in joint working arrangements for evidence base documents and research.

### 13.0 RISK ASSESSMENT

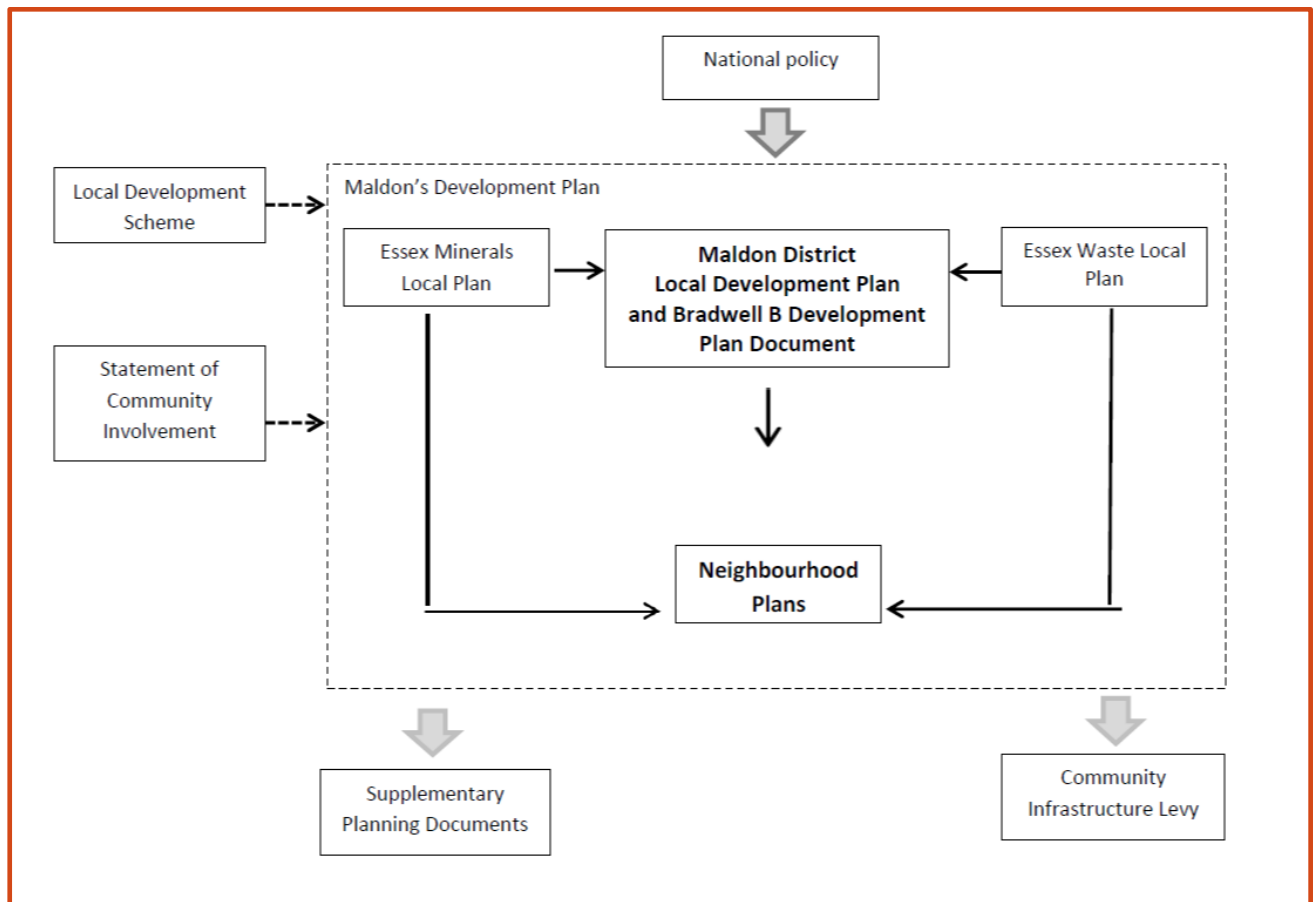
- 13.1 In preparing the LDS, the following risks have been identified that may affect or delay the process of delivering the Local Development Plan and the production of other planning policy documents. Contingency measures are suggested accordingly. The list is not exhaustive and does not include unlikely events which are difficult to foresee that temporarily cause a halt to normal Local Government operations.

RISK	IMPACT	MITIGATION	RESPONSIBILITY
Revisions to national legislation and planning policy guidance	The LDP becomes out of date and/or evidence base, lack of clear guidance available.	Monitoring of national policy revisions.	Local Plans Team
Delays in political agreement	Timetable would be impacted as set out in the LDS. The District may not have a clear adopted planning framework to make decisions against.	Ensure Members are fully engaged in the formation of any policy documents and regularly briefed.	Director of Strategy, Policy and Governance, Strategy, Policy and Communications Manager, Lead Specialist – Local Plans
Lack of community engagement	The documents set out in the LDS do not respond to community concerns, vital issues are not addressed.	Minimise by arranging a coordinated programme and if possible integrating individual engagement activities with other agencies	Local Plans Team
Staff changes or staff loss (staff leaving post/time delays in recruitment)	Loss of capacity leading to delays in work production, Inconsistency in work flow, Knowledge gaps	Use of specialist consultants to cover particular gaps in expertise.	Strategy, Policy and Communications Manager, Senior Specialist Local Plans
Budget constraints	Insufficient budget to cover the costs of the work set out in the LDS	Agree a budget for the work set out in the LDS and review it at a	Director of Resources, Director of Strategy, Policy and

		minimum quarterly.	Governance, Strategy, Policy and Communications Manager, Lead Specialist Local Plans.
Lack of IT capacity for systems that are required to bring forward the LDS	This could lead to delays in work production, have implications in the production of digital solutions to the production of documents	The budget for the LDS should incorporate funds to enable sufficient capacity in IT to support the programme set out.	Director of Resources, Director of Strategy, Policy and Governance, Strategy, Policy and Communications Manager, Lead Specialist Local Plans.



## Appendix 1: Local Development Plan Diagram



## Appendix 2: Maldon District - LDP Policy List

<b>Policy</b>	<b>Policy Title</b>
<b>S1</b>	<b>Sustainable Development</b>
<b>S2</b>	<b>Strategic Growth</b>
<b>S3</b>	<b>Place Shaping</b>
<b>S4</b>	<b>Maldon and Heybridge Strategic Growth</b>
<b>S5</b>	<b>Maldon and Heybridge Central Area</b>
<b>S6</b>	<b>Burnham-on-Crouch Strategic Growth</b>
<b>S7</b>	<b>Prosperous Rural Communities</b>
<b>S8</b>	<b>Settlement Boundaries and the Countryside</b>
<b>D1</b>	<b>Design Quality and the Built Environment</b>
<b>D2</b>	<b>Climate Change &amp; Environmental Impact of New Development</b>
<b>D3</b>	<b>Conservation and Heritage Assets</b>
<b>D4</b>	<b>Renewable and Low Carbon Energy Generation</b>
<b>D5</b>	<b>Flood Risk and Coastal Management</b>
<b>D6</b>	<b>Advertisements</b>
<b>E1</b>	<b>Employment</b>
<b>E2</b>	<b>Retail Provision</b>
<b>E3</b>	<b>Community Services and Facilities</b>
<b>E4</b>	<b>Agricultural and Rural Diversification</b>
<b>E5</b>	<b>Tourism</b>
<b>E6</b>	<b>Skills, Training and Education</b>
<b>H1</b>	<b>Affordable Housing</b>
<b>H2</b>	<b>Housing Mix</b>
<b>H3</b>	<b>Accommodation for 'Specialist' Needs</b>
<b>H4</b>	<b>Effective Use of Land</b>
<b>H5</b>	<b>Rural Exception Schemes</b>
<b>H6</b>	<b>Provision for Travellers</b>
<b>H7</b>	<b>Agricultural and Essential Workers Accommodation</b>
<b>H8</b>	<b>Provision for Houseboats</b>
<b>N1</b>	<b>Green Infrastructure Network</b>
<b>N2</b>	<b>Natural Environment and Biodiversity</b>
<b>N3</b>	<b>Open Space, Sport and Leisure</b>
<b>T1</b>	<b>Sustainable Transport</b>
<b>T2</b>	<b>Accessibility</b>
<b>I1</b>	<b>Infrastructure and Services</b>
<b>I2</b>	<b>Health and Wellbeing</b>

## Appendix 3 - Glossary

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**Authority Monitoring Report** - Assesses the implementation of the Local Development Scheme and the extent to which policies in the Local Development Plan are being successfully implemented.

**Development Plan Documents (DPDs)** - The plan which identifies the future development of the District, drawn up by the Council in consultation with the community.

**Development Management Policies** - A suite of policies in the LDP that provide detailed technical guidance relating to the delivery of specific types of new development or address specific detailed planning issues.

**Evidence Base** - The evidence that any development plan document is based on. Includes documents relating to housing, the economy, the environment, infrastructure and transport.

**Local Development Plan (LDP)** - Sets out the planning strategy for future growth of the District over the next 15 years. It provides a spatial strategy for the delivery of the required future employment, homes, retail, community facilities and infrastructure. It identifies sites for new development and protects land for a variety of uses such as open space.

**Local Development Scheme** - A project plan which sets out the timetable for delivery of planning policy documents, the resources and risk involved.

**National Planning Policy Framework (NPPF)** - Sets out the government's planning policies for England and how these are expected to be applied.

**National Planning Practice Guidance (PPG)** - A web based resource which provides more detailed guidance on the planning policies set out in the NPPF.

**Policies Map** - A visual representation of the policies in the LDP.

**Statement of Community Involvement (SCI)** - Sets out how the community will be engaged in the preparation of planning policy documents and in determining planning applications in the District.

**Supplementary Planning Documents (SPD)** - Adds further detail to the policies in the LDP. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Can be a material consideration in planning decisions but are not part of the development plan.

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