



APOLOGIES Committee Services
Email: Committee.clerk@maldon.gov.uk

DIRECTOR OF STRATEGY AND
RESOURCES
Paul Dodson

05 July 2023

Dear Councillor

You are summoned to attend the meeting of the;

COUNCIL

on **THURSDAY 13 JULY 2023 at 7.30 pm**

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

Please Note: All meetings will continue to be live streamed on the [Council's YouTube channel](#) for those wishing to observe remotely. Public participants wishing to speak remotely at a meeting can continue to do so via Microsoft Teams.

To submit a question in writing please complete a [Public Access form](#) (to be received no later than 12noon two clear working days before the Council meeting). All requests will be considered on a first-come, first-served basis.

A copy of the agenda is attached.

Yours faithfully

Director of Strategy and Resources





AGENDA COUNCIL

THURSDAY 13 JULY 2023

1. **Chairperson's notices**

2. **Apologies for Absence**

3. **Minutes of the Statutory Annual Council - 18 May 2023** (Pages 7 - 14)

To confirm the Minutes of the Statutory Annual Council meeting held on 18 May 2023 (copy enclosed).

4. **Minutes - 8 June 2023** (Pages 15 - 38)

To confirm the Minutes of the extraordinary Council meeting held on 8 June 2023.

5. **Declaration of Interest**

To disclose the existence and nature of any Disclosable Pecuniary Interests, Other Registrable interests and Non-Registrable Interests relating to items of business on the agenda having regard to paragraph 9 and Appendix B 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).

6. **Public Questions**

To receive questions from members of the public, of which prior notification in writing has been received (no later than noon two clear working days before the day of the Council meeting).

Should you wish to submit a question please complete the online form at www.maldon.gov.uk/publicparticipation.

7. **Chairperson's Announcements**

8. **Minute Book**

To consider the recommendations coming forward from the Committees detailed below. Please note that the Minutes of these meetings are not enclosed as they have not been approved at Committee level.

a) **Strategy and Resources Committee - 22 June 2023** (Pages 39 - 102)

Agenda Item 10 - Area of Special Control for Advertisements

RECOMMENDED that the Area of Special Control Order for Advertisements attached at **APPENDIX 1**, is reconfirmed.

Agenda Item 11 – Business Rates Discretionary Rate Relief

RECOMMENDED that the Discretionary Non-Domestic Rate Relief Scheme at **APPENDIX 2** be updated to include an additional scheme.

9. Minutes of Meetings of the Council

To note that since the last Council, up until Wednesday 5 July 2023 (Council agenda dispatch) the following Committees have met, and to receive any questions in accordance with Council and Committee Procedure Rule 6 (2).

North Western Area Planning Committee	24 May 2023
South Eastern Area Planning Committee	25 May
Performance, Governance and Audit Committee (special)	8 June
Strategy and Resources Committee (special)	8 June
Licensing Committee (special)	8 June
Overview and Scrutiny Committee (special)	8 June
Joint Standards Committee (special)	8 June
Investigating and Disciplinary Committee (special)	8 June
District Planning Committee (special)	8 June
Central Area Planning Committee (special)	8 June
North Western Area Planning Committee (special)	8 June
South Eastern Area Planning Committee (special)	8 June
District Planning Committee	14 June
Performance, Governance and Audit Committee	15 June
North Western Area Planning Committee	21 June
Strategy and Resources Committee	22 June
South Eastern Area Planning Committee	28 June

10. Statement of the Leader of the Council (Verbal Report)

To consider the statement of the Leader of the Council setting out the Council's report and programme for the current municipal year.

11. Notice of Motions

The following Motions have been submitted in accordance with Procedure Rule 4.

a) Motions from Councillor A S Fluker (Motion 08/2023)

In accordance with notice duly given under Procedure Rule 4, Councillor A S Fluker to move the following Motions, duly seconded by Councillors J C Stilts and W Stamp.

Motion 1:

That Councils resolves to agree that on the basis, that the members of the Maldon District Independent Group a registered Political Party, the members of the Conservative Party Group and the members of the Liberal Democrats Party Group voted in unison, alliance and partnership to appoint into the roles of the Leader and Deputy Leader of the Council, Vice Chairman of the Council, Chairman and Vice Chairman of the Strategy and Resources Committee, Performance Governance and Audit Committee and Overview and Scrutiny the political groups so mentioned become the administration of the Council and that the Maldon Support Group becomes the official opposition.

Motion 2:

That if Motion 1. Above fails and the Conservative Group declares themselves the opposition that the Council resolves to agree that in the best interests scrutiny, challenge and the business of Council the Conservative Group members rescind their Chairman and Vice Chairmanship roles on all committees.

b) Motions from Councillor W Stamp (Motion 09/2023)

In accordance with notice duly given under Procedure Rule 4, Councillor W Stamp to move the following Motions, duly seconded by Councillors A S Fluker and J C Stilts.

Motion 1:

To disband the Joint Standards Committee in its current form as proposed at the Extraordinary Council meeting on 8th June 2023.

Motion 2:

The council waives the overall political control of the authority (political balance) to reconstitute the Joint Standards Committee.

Motion 3:

The committee will consist of 8 elected members – two from each group, plus 2 Parish Council observers (no voting rights) and the Independent Person (no voting rights). No group should have the majority on the Committee. All political groups (a group is defined as having three or members). Any substitutions must be made from the same group.

Motion 4:

The Chair and Vice Chair to be appointed by different political groups, and/or non-political groups.

Please note: Should the Council be minded to exclude political balance provisions, this would need to be unanimous without a single opposing vote.

c) Motions from Councillor R H Siddall (Motion 10/2023)

In accordance with notice duly given under Procedure Rule 4, Councillor R H Siddall to move the following Motions, duly seconded by Councillors M G Bassenger, J Driver, M F L Durham, T Fittock, J C Hughes, S J N Morgan, N G F Shaughnessy, R H Siddall, N R Spenceley, P L Spenceley, E L Stephens and M E Thompson.

Motion 1:

To prevent the paralysis of Council business at full council meetings and to ensure that the council delivers on its business, that at a full council meeting only one motion per political group made in accordance with procedure rule 4, can be put forward to the full council meeting. The nonaligned councillors will also be counted as one group.

Motion 2:

Despite the recommendation of the recent members remuneration panel about allowances for special responsibility. It did not reflect the work and responsibilities of the Vice Chair of the council and the Vice Chair of Overview and Scrutiny, and this motion recommends that the special allowances for these positions, are brought into line with other Vice Chair of committees and that they are set at 25% of the basic allowance.

d) Motion from Councillor E L Stephens (Motion 11/2023)

In accordance with notice duly given under Procedure Rule 4, Councillor E L Stephens to move the following Motion, duly seconded by Councillor R H Siddall.

Motion:

To prioritise essential business at full council meetings, motions at each full council meeting shall be debated at the end of the public part of the meeting, subject to time.

e) Motion from Councillor S J N Morgan (Motion 12/2023)

In accordance with notice duly given under Procedure Rule 4, Councillor S J N Morgan to move the following Motion, duly seconded by Councillors J Driver and J C Stilts.

Motion:

That for the remainder of this municipal year, the opposition leadership should be equally split between the leaders of the Conservative, Maldon Support and Liberal Democrat groups.

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

13. **Appointment to Committees** (Pages 103 - 108)

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

14. **Adjournment of the meeting**

To adjourn the meeting to allow the Joint Standards Committee to proceed to elect a Chairperson and Vice-Chairperson.

Special meeting of the Joint Standards Committee

- (a) To elect a Chairperson of the Committee for the ensuing Municipal Year.
- (b) To appoint a Vice-Chairperson of the Committee for the ensuing Municipal Year.

15. **Resumption of Business**

To continue with the business of the Council.

16. **Local Government Association Finance Peer Challenge** (Pages 109 - 148)

To consider the report of the Interim Chief Finance Officer, (copy enclosed).

17. **Medium-Term Financial Strategy Update and Savings Strategy** (Pages 149 - 152)

To consider the report of the Interim Chief Finance Officer, (copy enclosed).

18. **Provisional Outturn 2022 / 23 report presented to the Strategy and Resources Committee on 22 June 2023** (Pages 153 - 168)

To consider the report of the Interim Chief Finance Officer (copy enclosed).

19. **West Maldon Community Association Management Committee**

To appoint one Member as the Council's representative on the West Maldon Community Association Management Committee for the ensuing municipal year.

20. **Business by reason of special circumstances considered by the Chairperson to be urgent**

NOTICES

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.

Fire

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

Health and Safety

Please be advised of the different levels of flooring within the Council Chamber.

Closed-Circuit Televisions (CCTV)

Meetings held in the Council Chamber are being monitored and recorded by CCTV.

Lift

Please be aware, there is not currently lift access to the Council Chamber.



**MINUTES of
STATUTORY ANNUAL COUNCIL
18 MAY 2023**

PRESENT

Chairman (presiding) Mr R G Boyce MBE

Councillors M G Bassenger, V J Bell, D O Bown, S J Burwood, J Driver,
M F L Durham, CC, A Fittock, A S Fluker, L J Haywood,
J C Hughes, K Jennings, K M H Lagan, A M Lay,
W J Laybourn, N R Miller, S J N Morgan, C P Morley,
M G Neall, R G Pratt, N G F Shaughnessy, R H Siddall,
U C G Siddall-Norman, N D Spenceley, P L Spenceley,
W Stamp, CC, E L Stephens, J C Stilts, N J Swindle,
M E Thompson and L L Wiffen

1. ELECTION OF CHAIRMAN

The Chairman called for nominations for Chairman of the Maldon District Council for the ensuing municipal year to May 2024. Councillor W Stamp thanked the outgoing Chairman, Mr R G Boyce MBE for his hard work and proposed that Councillor K M H Lagan be elected as Chairman of the Maldon District Council. This was duly seconded by Councillor J C Stilts.

There being no other nominations it was:

RESOLVED that Councillor K M H Lagan be elected Chairman of the Maldon District Council for the ensuing Municipal Year.

IN THE CHAIR: COUNCILLOR K M H LAGAN

2. CHAIRMAN'S STATUTORY DECLARATION OF ACCEPTANCE OF OFFICE

Councillor K M H Lagan made the Statutory Declaration of Acceptance of the Office of the Chairman of the Council.

The Chairman honoured the outgoing Chairman and Vice-Chairman for the work and commitment they had given to the community over the recent decades. He referred to the honour of being elected thanked Members for electing him to this position.

3. CHAIRMAN'S NOTICES

The Chairman welcomed everyone to the Statutory Annual meeting of the Council and went through some general housekeeping arrangements for the meeting.

The Chairman advised that under Procedure Rule 4(8)3 the requirement to stand in the chamber would be optional.

4. APPOINTMENT OF VICE-CHAIRMAN

The Chairman proposed that appointment to the role of Vice-Chairman of the Maldon District Council be deferred. This was duly seconded and agreed.

5. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor S White.

6. DISCLOSURE OF INTEREST

There were none.

7. MINUTES - 30 MARCH 2023

RESOLVED

- (i) that the Minutes of the meeting of the Council held on 30 March 2023 be received.

Minute 12 – Update on the Customer Strategy and One Maldon District Community Hub

The Chairman advised that the first bullet under paragraph four of this Minute should be amended as follows:

It was explained that although a hub at the Council Offices was not being provided at this time, Officers were working on a phased approach and a virtual hub was initially proposed to ensure that partners commitments etc. were understood. Some Members' expressed concern ~~that~~ regarding this.

This was duly agreed.

RESOLVED

- (ii) that subject to the above amendment, the Minutes of the Council meeting held on 30 March 2023 be approved and confirmed.

8. PUBLIC QUESTIONS

There were none.

9. CHAIRMAN'S ANNOUNCEMENTS

The Chairman proposed that due to ongoing discussions, the following items of business be deferred to an extraordinary meeting of the Council which would take place on Thursday 8 June 2023.

At this point and with the agreement of the Chairman, Councillor W Stamp read out a short statement and asked if 15 Members of the Council would join her to form an administration rather than leave the Council in limbo at such an important time. She

commented on the lack of an agreement between Group Leaders and how residents were being let down.

In response the Chairman advised that he had taken advice from the Monitoring Officer and although the Council could agree with Councillor Stamp's statement the proposal was not valid at this time.

Councillor A S Fluker also spoke regarding the proposed extraordinary Council meeting on 8 June, highlighting the need to communicate with Members and resolve the situation quickly. In response to a comment, Members were advised that meetings between Group Leaders had been informal and it was up to those Leaders to share relevant information with their respective Members.

The Chairman then returned to his earlier proposal highlighting the following items, along with the Appointment of Vice-Chairman which he was proposing be deferred to an extraordinary meeting of the Council on 8 June 2023:

- Item 13 – Leaders and Composition of Political Groups;
- Item 14 - Appointment of Membership of Appointment of Committees of the Council, with the exception of the Licensing, District Planning and Area Planning Committees;
- Item 15 - Adjournment of meeting for special meetings of Committees
- Item 18 – Appointment of Representatives to Local Government and Outside Bodies
- Item 19 – Appointment of Members to serve on Working Groups of the Council.

This proposal was duly seconded and agreed by assent.

RESOLVED that the following items of business be deferred to an extraordinary meeting of the Council on 8 June 2023:

- Item 4 – Appointment of Vice-Chairman;
- Item 13 – Leaders and Composition of Political Groups;
- Item 14 - Appointment of Membership of Appointment of Committees of the Council, with the exception of the Licensing, District Planning and Area Planning Committees;
- Item 15 - Adjournment of meeting for special meetings of Committees
- Item 18 – Appointment of Representatives to Local Government and Outside Bodies
- Item 19 – Appointment of Members to serve on Working Groups of the Council.

The Chairman then invited Mr Stephen Nunn (outgoing Vice-Chairman) to present long service certificates to the following outgoing Members who had served the Council for over 30 years:

- Bob G Boyce MBE;
- Richard P F Dewick;
- Penny A Channer;
- Brian S Beale MBE.

10. MINUTES OF MEETINGS OF THE COUNCIL

The Council noted the list of Committees that had met before and since the last meeting of the Council, up until Wednesday 10 May 2023 for which Minutes had been published.

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

There were none.

12. APPOINTMENT OF MEMBERSHIP OF COMMITTEES OF THE COUNCIL

The Council considered the report of the Director of Strategy, Performance and Governance, circulated prior to the meeting, to appoint serving Members to the Licensing, District and Area Planning Committees for the Municipal year to May 2024.

The Chairman moved recommendations (i) - (iii) as set out in the report, drawing Members' attention to recommendation (ii) in the report and Appendix A which detailed nominations received. The proposal was duly seconded.

Councillor S J N Morgan advised that in respect of the Licensing Committee Councillor W J Laybourn had stood down and he would be replacing her as one of the nominated Members from the Conservative Group. This was duly noted.

The Chairman advised that nomination of a non-aligned Councillor was required for the Licensing Committee. Councillor A M Lay advised that following discussion between the three non-aligned Members he would be the nominated Councillor.

The Chairman then put the recommendations to the Council with the amendments to the proposed Licensing Committee Members and upon a vote being taken these were duly agreed.

RESOLVED

- (i) The allocation of seats on the following Committees be approved:

Committee	Membership
Licensing Committee	Councillors M G Bassenger J Driver M F L Durham CC L J Haywood A M Lay S J N Morgan N D Spenceley E L Stephens J S Stilts M E Thompson
District Planning Committee	All Members of the Maldon District Council

Committee	Membership
Central Area Planning Committee	Councillors S J Burwood J Driver K Jennings K M H Lagan A M Lay N R Miller N G F Shaughnessy N D Spenceley P L Spenceley J C Stilts N J Swindle
North Western Area Planning Committee	Councillors M F L Durham CC J C Hughes S J N Morgan C P Morley R H Siddall E L Stephens M E Thompson S White L L Wiffen
South Eastern Area Planning Committee	Councillors M G Bassenger V J Bell D O Bown T Fittock A S Fluker L J Haywood W J Laybourn M G Neall R G Pratt U G C Siddall-Norman W Stamp CC

- (ii) That Members note the Chairperson's job description attached at Appendix B to the report.

13. FIVE-YEAR HOUSING LAND SUPPLY

The Council considered the report of the Director of Strategy, Performance and Governance setting out the Council's Five-Year Housing Land Supply (5YHLS) position for publication.

The report provided background information regarding the Council's agreed Working Group Terms of Reference to examine the 5YHLS methodology along with the work undertaken by the Working Group.

Members were advised that present methodology of the 5YHLS was robust and remained unchanged with the following exceptions:

- The Council would use the National Standard Methodology for calculating the housing need of the District until such time as a review of the Local Plan was submitted to the Planning Inspectorate.
- The undersupply had been removed from the calculations of the 5YHLS in line with using the Standard Method for calculating housing need.

- The slippage rate had been removed from the 5YHLS calculations but would remain under review year on year.

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

RESOLVED

- (i) That the briefing paper attached as Appendix A to the report and its accompanying spreadsheets provides evidence that the Council can demonstrate a supply of specific deliverable sites sufficient to provide for 6.35 years' worth of housing against the Council's identified housing requirements.
- (ii) That the Five-Year Housing Land Supply position be approved and published on the Council's website.

14. ANNUAL REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE

The Council considered the report of the Director of Strategy, Performance and Governance presenting an annual update on the activities of the Overview and Scrutiny Committee.

The annual report for 2022 / 23 had been agreed by the Overview and Scrutiny Committee at its last meeting and was set out in Appendix 1 to the report. It was noted that the annual reporting arrangements ensured a degree of accountability to the Council.

The Chairman invited Councillor P L Spenceley, as Vice-Chairman of the Committee during this period to present the report to the Council. Councillor Spenceley outlined some of the work that had been undertaken by the Committee over the last year and the decisions taken by the Council as a result of recommendations coming forward from the Committee. It was noted that there were some items where work was outstanding and Councillor Spenceley hoped would be taken forward by the new Committee when it convened. She thanked Members of the Overview and Scrutiny Working Group and hoped that the Council continued to take scrutiny seriously going forward. Councillor Spenceley moved that the recommendation as set out in the report and this was duly seconded and agreed.

The Chairman thanked Councillor Spenceley and all Members of Working Groups (past and present) who had put so much passion and commitment into improving the Council's processes.

RESOLVED that the annual report of the Overview and Scrutiny Committee for 2022 / 23 be accepted.

15. REVIEW OF MEMBERS SPECIAL RESPONSIBILITY ALLOWANCES

The Council considered the report of the Director of Strategy, Performance and Governance presenting recommendations from the Independent Remuneration Panel (IRP) on Special Responsibility Allowances (SRA) for review and approval.

Members had previously requested that current SRAs were reviewed to ensure they were fairly applied and consistent with other Local Authorities. It was noted that the IRP had met on 17 February 2023 to review the data and as a result had provided a number of recommendations (set out in Appendix 1 to the report). The Appendix also

provided details of the IRP findings and decisions governing the suggested amendments.

Councillor W Stamp advised she did not agree with the proposed reduction to the SRA paid to the role of Overview and Scrutiny Committee (O&S) Chairman. She proposed that none of the changes be agreed. This was duly seconded.

A debate ensued. Councillor R H Siddall proposed that the Vice-Chairman of O&S should receive an allowance of 25% to reflect the importance of this role. Councillor M E Thompson proposed that the allowance for the Vice-Chairman of the Council be increased to 25% given the work undertaken by this role. These proposals were not seconded. In response to a question regarding the District Planning Committee being a Committee of the Council, not the Council sitting and should therefore have its own Chairman and appropriate allowance, the Chairman advised that he would adjourn the meeting to allow Officers to check the Terms of Reference.

16. ADJOURNMENT OF THE MEETING

RESOLVED that the Statutory Annual meeting of the Council be adjourned at 20:06 to allow the District Planning Committee Terms of Reference to be checked.

17. RESUMPTION OF BUSINESS IN OPEN SESSION

RESOLVED that the Statutory Annual meeting of the Council resume in open business at 20:17.

18. REVIEW OF MEMBERS SPECIAL RESPONSIBILITY ALLOWANCES (CONTINUED)

The Chairman advised that there was nothing in the Council's Constitution to state that the Chairman of the Council was the Chairman of the District Planning Committee. He advised that the Council needed to vote on the Motion tabled.

Councillor A S Fluker expressed concern regarding the report from the Independent Remuneration Panel and drew particular attention to allowances for Vice-Chairmen of the main Committees. He proposed that the Council reverse the Members basic allowance back to where it was to show to the public that the Council was trying to close its budget deficit and not spending money on Members. The Chairman advised that this report was not discussing the Members' basic allowance and referred to the recommendation on the table, duly seconded.

Following further discussion, the Chairman moved the proposal in the name of Councillor Stamp that the roles and remunerations remain the same. Upon a vote being taken this was duly agreed.

RESOLVED that the roles and Special Responsibility Allowances remain unchanged.

There being no other items of business the Chairman closed the meeting at 8.27 pm.

K M H LAGAN
CHAIRPERSON

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**MINUTES of
COUNCIL (EXTRAORDINARY)
8 JUNE 2023**

PRESENT

Chairman Councillor K M H Lagan

Councillors M G Bassenger, V J Bell, D O Bown, S J Burwood, J Driver,
M F L Durham, CC, A Fittock, A S Fluker, L J Haywood,
J C Hughes, K Jennings, A M Lay, N R Miller, S J N Morgan,
M G Neall, R G Pratt, N G F Shaughnessy, R H Siddall,
N D Spenceley, P L Spenceley, W Stamp, CC, E L Stephens,
J C Stilts, N J Swindle, M E Thompson and S White

40. CHAIRPERSON'S NOTICES

The Chairperson welcomed everyone to the extraordinary meeting of the Council and went through some general housekeeping arrangements for the meeting. He advised that he was suspending Procedure Rule 4(8)3 standing to address the Chairperson to all items on this except Agenda Item 15.

41. APPOINTMENT OF VICE-CHAIRPERSON

It was proposed by Councillor W Stamp and seconded by Councillor A S Fluker that Councillor J C Stilts be elected as Vice-Chairperson of the Maldon District Council for the Municipal Year.

Councillor S J N Morgan proposed that Councillor R Pratt be elected as Vice-Chairperson of the Maldon District Council for the ensuing Municipal Year. This was duly seconded by Councillor R H Siddall.

In accordance with Procedure Rule No. 13 (3) Councillor W Stamp requested a recorded vote, this was duly seconded. The Chairperson advised that Members would vote for each nominee individually, and the voting was as follows:

For Councillor J C Stilts:

For:

Councillors A S Fluker, L J Haywood, M G Neall, W Stamp and J C Stilts.

Against:

Councillors M G Bassenger, D Bown, T Fittock, J C Hughes, N R Miller, S J N Morgan, R Pratt, N G F Shaughnessy, R H Siddall, E L Stephens and M E Thompson.

Abstention:

Councillors V J Bell, S J Burwood, J Driver, M F L Durham, K Jennings, K M H Lagan, A M Lay, N D Spenceley, P L Spenceley, N Swindle and S White.

For Councillor R Pratt:

For:

Councillors M G Bassenger, D Bown, M F L Durham, T Fittock, J C Hughes, A M Lay, N R Miller, S J N Morgan, R Pratt, N G F Shaughnessy, R H Siddall, E L Stephens and M E Thompson.

Against:

Councillors A S Fluker, L J Haywood, M G Neall, W Stamp and J C Stilts.

Abstention:

Councillors V J Bell, S J Burwood, J Driver, K Jennings, K M H Lagan, N D Spenceley, P L Spenceley, N Swindle and S White.

The Chairperson declared that Councillor R G Pratt was therefore elected as Vice-Chairperson of the Maldon District Council.

RESOLVED that Councillor R Pratt be elected as Vice-Chairperson of the Maldon District Council for the Municipal Year to May 2024.

42. VICE-CHAIRPERSON'S STATUTORY DECLARATION OF ACCEPTANCE OF OFFICE

Councillor R G Pratt made the Statutory Declaration of Acceptance of the Office of Vice-Chairperson of the Council.

43. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors W J Laybourn, C P Morley, U G C Siddall-Norman and L L Wiffen.

The Council wished Councillor Siddall-Norman a speedy recovery following her recent illness.

44. DISCLOSURE OF INTEREST

Councillor M F L Durham declared he had an interest in relation to Agenda Item 7 – Notice of Motions, specifically Motion 2 as he was the deputy Cabinet Member for Devolution, the Arts and Heritage at Essex County Council. The Chairperson sought clarification from Councillor Durham regarding his interest and in response the Lead Legal Specialist and Monitoring Officer provided the Council with explanation of the three categories of interest. Councillor Durham advised his declaration was an other registrable interest and following further advice from the Officer advised that he would leave the chamber for this item of business.

45. PUBLIC QUESTIONS

There were none.

46. CHAIRPERSON'S ANNOUNCEMENTS

There were none.

47. NOTICE OF MOTIONS

In accordance with Procedure Rule 4, the Chairperson informed the Council of the receipt of three Motions which had been duly proposed by Councillor A S Fluker and seconded by Councillors W Stamp and J C Stilts, as set out on the agenda.

Motion One:

Councillor Fluker read out Motion One (as detailed below) and provided additional background information regarding the Motion.

That regardless of the paralysis of the Council the Local Development Plan Review Working Group meetings resume immediately and that all members are appointed to the Working Group.

During the debate that followed Councillor Fluker raised a Point of Order in relation to Procedure Rule 4 clarifying that the Motion was about having an all Member Working Group and not the mechanics of the National Planning Policy Framework (NPPF).

It was noted that some Council's had paused or delayed work on their Local Development Plan (LDP). In response to a request for an update regarding the Council's LDP, the Director of Strategy, Performance and Governance explained that following advice from the Council's Planning Officers work on the LDP was continuing and the LDP could be adapted to accommodate any changes to the NPPF if required.

Councillor Fluker then summarised his Motion and the Chairperson put the Motion to the Council.

In accordance with Procedure Rule No. 13 (3) Councillor W Stamp requested a recorded vote. This was duly seconded, and the voting was as follows:

For the recommendation:

Councillors V J Bell, A S Fluker, L J Haywood, K M H Lagan, A M Lay, M G Neall, W Stamp, J C Stilts and S White.

Against the recommendation:

Councillors M G Bassenger, D Bown, M F L Durham, T Fittock, J C Hughes, N R Miller, S J N Morgan, R G Pratt, R H Siddall, E L Stephens and M E Thompson.

Abstention:

Councillors S J Burwood, J Driver, K Jennings, N G F Shaughnessy, N D Spenceley, P L Spenceley and N Swindle.

The Chairperson declared that this Motion was therefore lost.

Following his earlier declaration Councillor M F L Durham left the chamber at this point.

Motion Two:

Councillor Fluker read out Motion Two (as detailed below) and provided additional background information regarding the Motion.

That regardless of the paralysis of the Council, Council agrees to form a Devolution Working Group, and that all members of Council are appointed to the Group whose first meeting will take place no later than 14 days of agreeing this motion.

The Director of Strategy, Performance and Governance highlighted the briefings that had previously been arranged for all Members across the County and that Members had been informed when Essex County, Southend and Thurrock Councils submitted

their expressions of interest along with the Government White paper (all of which were available online). He outlined the safeguards contained within the white paper regarding devolution which was from the Government to those upper tiered authorities. The Combined Authority would be formed under a level three deal and made up of the three Councils he mentioned earlier. The Essex Leaders and Chief Executives group was compiling a further briefing to all Members within Essex to provide an update on this matter.

A debate ensued during which a number of Members commented on the status of devolution and some concerns were raised.

Councillor Fluker responded to comments and moved his Motion which was duly seconded.

In accordance with Procedure Rule No. 13 (3) Councillor A S Fluker requested a recorded vote. This was duly seconded, and the voting was as follows:

For the recommendation:

Councillors A S Fluker, L J Haywood, M G Neall, W Stamp, J C Stilts and S White.

Against the recommendation:

Councillors M G Bassenger, V J Bell, D Bown, S J Burwood, J Driver, T Fittock, J C Hughes, K Jennings, A M Lay, N R Miller, S J N Morgan, R G Pratt, N G F Shaughnessy, R H Siddall, N D Spenceley, P L Spenceley E L Stephens, N Swindle and M E Thompson.

Abstention:

Councillor K M H Lagan.

The Chairperson declared that this Motion was therefore lost.

Councillor Durham returned to the chamber at this point.

Motion Three:

Councillor Fluker read out Motion Three (as detailed below) and provided additional background information regarding the Motion.

That the Director of Strategy Performance and Governance provides, without exception updates regarding Essex wide devolution to all future meetings of Council.

In accordance with Procedure Rule No. 13 (3) Councillor Fluker requested a recorded vote. This was duly seconded, and the voting was as follows:

For the recommendation:

Councillors V J Bell, S J Burwood, J Driver, T Fittock, A S Fluker, L J Haywood, J C Hughes, K Jennings, K M H Lagan, A M Lay, M G Neall, N D Spenceley, P L Spenceley, W Stamp, J C Stilts, N Swindle, and S White.

Against the recommendation:

Councillors M G Bassenger, D Bown, M F L Durham, N R Miller, S J N Morgan, R G Pratt, N G F Shaughnessy, R H Siddall, E L Stephens and M E Thompson.

Abstention:

None.

The Chairperson declared that this Motion was therefore agreed.

RESOLVED that the Director of Strategy Performance and Governance provides, without exception updates regarding Essex wide devolution to all future meetings of Council.

48. QUESTIONS IN ACCORDANCE WITH PROCEDURE RULE 6(3) OF WHICH NOTICE HAS BEEN GIVEN

There were none.

49. LEADERS AND COMPOSITION OF POLITICAL GROUPS

The Council considered the report of the Director of Strategy, Performance and Governance, tabled at the meeting. As required by the Local Government and Housing Act 1989, the Programmes, Performance and Governance Manager had been notified that the composition of the political Groups of the Council were as follows:

Conservative Group	Leader	Councillor S J N Morgan
	Members	Councillors: D O Bown M F L Durham W J Laybourn N R Miller C P Morley R G Pratt M E Thompson L L Wiffen
District Support Group	Leader	Councillor J C Stilts
	Members	Councillors: A S Fluker L J Haywood K M H Lagan M G Neall W Stamp
Liberal Democrat Group	Leader	Councillor J Driver
	Members	Councillors: S J Burwood K Jennings N D Spenceley P L Spenceley N J Swindle
Maldon Independent Group	Leader	Councillor R H Siddall
	Members	Councillors: M G Bassenger T Fittock J C Hughes E L Stephens N G F Shaughnessy

It was noted that Councillors V J Bell, A M Lay, U G C Siddall-Norman and S White were not part of a Political Group.

In accordance with the Council's Constitution, it was noted that Councillor S J N Morgan was therefore recognised as Leader-designate.

The Chairperson moved recommendation (ii) as set out in the report, to consider the ratification of the Leader designate as Leader of the Council. At this point, Councillor Morgan advised that he wished to resign as Leader designate and not put himself forward for the position as Leader of the Council.

The Chairperson then called for nominations for the position of Leader of the Council. Nominations, duly seconded, were received for Councillor S White and Councillor R H Siddall.

In accordance with Procedure Rule No. 13 (3) Councillor W Stamp requested a recorded vote, which was duly seconded.

There being no other nominations the Chairperson advised that Members would vote for each nominated Member individually. The voting was as follows:

Voting for Councillor S White:

For the recommendation:

Councillors A S Fluker, K M H Lagan, M G Neall, W Stamp, J C Stilts and S White.

Against the recommendation:

Councillors M G Bassenger, V J Bell, S J Burwood, J Driver, J C Hughes, K Jennings, A M Lay, N G F Shaughnessy, R H Siddall, N Spenceley, P L Spenceley, E L Stephens, N Swindle and M E Thompson.

Abstention:

Councillors D Bown, M F L Durham, T Fittock, L J Haywood, N R Miller, S J N Morgan and R Pratt.

Voting for Councillor R H Siddall:

For the recommendation:

Councillors M G Bassenger, V J Bell, S J Burwood, J Driver, T Fittock, J C Hughes, K Jennings, A M Lay, N G F Shaughnessy, R H Siddall, N Spenceley, P L Spenceley, E L Stephens and N Swindle.

Against the recommendation:

Councillors A S Fluker, L J Haywood, K M H Lagan, M G Neall, W Stamp, J C Stilts and S White.

Abstention:

Councillors D Bown, M F L Durham, N R Miller, S J N Morgan, R Pratt and M E Thompson.

The Chairperson declared that Councillor R H Siddall was therefore elected as Leader of the Council.

The Chairperson moved to recommendation (ii) as set out in the report and sought nominations for Deputy Leader of the Council. Nominations, duly seconded, were received for Councillors M G Bassenger and Councillor W Stamp.

In accordance with Procedure Rule No. 13 (3) Councillor Stamp requested a recorded vote and the voting was as follows:

Voting for Councillor M G Bassenger:

For the recommendation:

Councillors M G Bassenger, V J Bell, S J Burwood, J Driver, T Fittock, J C Hughes, K Jennings, A M Lay, N G F Shaughnessy, R H Siddall, N Spenceley, P L Spenceley, E L Stephens and N Swindle.

Against the recommendation:

Councillors A S Fluker, L J Haywood, M G Neall, W Stamp and S White.

Abstention:

Councillors D Bown, M F L Durham, K M H Lagan, N R Miller, S J N Morgan, R Pratt, J C Stilts and M E Thompson.

The Chairperson declared that Councillor M G Bassenger was duly elected as Deputy Leader of the Council.

RESOLVED

- (i) that the contents of the report be noted.
- (ii) that Councillor R H Siddall be elected as Leader of the Council for the ensuing municipal year;
- (iii) Councillor M G Bassenger be elected as Deputy Leader of the Council for the ensuing municipal year.

At this point, the Leader of the council raised a Point of Order relating to Procedure Rule 4 – Leader of the Opposition. He proposed that despite the constitution stating that the Leader of the second largest Group would be become the Leader of the Opposition that the Leader of the Conservative Group be recognised as the Leader of the Opposition.

50. ADJOURNMENT OF THE MEETING

RESOLVED that the meeting be adjourned at 8:24pm to allow the Chairperson to speak to the Lead Legal Specialist and Monitoring Officer regarding Councillor A S Fluker's proposal.

51. RESUMPTION OF BUSINESS IN OPEN SESSION

RESOLVED that the meeting of the Council resumes at 8:32pm.

52. LEADERS AND COMPOSITION OF POLITICAL GROUPS (CONTINUED)

In response to the Point of Order from the Leader of the Council, the Chairperson advised that following consultation with the Lead Legal Specialist and Monitoring Officer, this was not a Point of Order. However, he advised that a written Motion could be submitted to the next Council meeting. Councillor A S Fluker raised a further Point of Order relating to Procedure Rule 4 advising that he had submitted a Motion and looked forward to debating it at the July Council meeting.

The Chairperson advised that therefore the Leader of the Opposition would be jointly held by Councillor J C Stilts (District Support Group) and Councillor J Driver (Liberal Democrat Group).

53. APPOINTMENT OF MEMBERSHIP OF COMMITTEES OF THE COUNCIL

The Council considered the report of the Director of Strategy, Performance and Governance, circulated prior to the meeting, to appoint serving Members to Committees for the Municipal year to May 2024.

At this point the Chairperson advised that Membership of the Appointments Board would be considered following the appointment of Committee Chairpersons and Vice-Chairpersons.

The Chairperson moved recommendation (i). It was noted that in error the table at paragraph 3.3 of the report did not list the constitution of the Maldon District Independent Group. The Director of Strategy, Performance and Governance clarified notification had been received in accordance with requirements and the constitution of this Group was as follows:

Maldon Independent Group	Leader	Councillor R H Siddall
	Members	Councillors: M G Bassenger T Fittock J C Hughes E L Stephens N G F Shaughnessy

The Chairperson then put recommendation (i) to the Council, and this was duly agreed.

Councillor W Stamp referred to the Joint Standards Committee (JSC) and a Motion put by Councillor R H Siddall in 2020. She proposed that appointment of Members to the JSC be deferred so that new Members could understand the 2020 Motion. In response Councillor Siddall advised that his Motion was only for that year. In response the Chairperson advised that he would defer appointment to the JSC to gain clarity in respect of the 2020 Motion. This was duly seconded.

The Chairperson then moved recommendation (ii) that the Member nominations as set out in Appendix A, with the exception of the JSC be agreed and this was duly agreed.

The Chairperson then drew Members' attention to recommendation (iii) in the report and advised that there were a number of Committees where the Council would need to nominate and appoint a non-aligned Councillor to.

The Leader of the Council, Councillor R H Siddall proposed the following nominations which was duly seconded:

Performance, Governance and Audit Committee	Councillor V J Bell
Strategy and Resources Committee	Councillors A M Lay and S White
Overview and Scrutiny Committee	Councillor U C G Siddall-Norman

In response to a query regarding the nomination to the Overview and Scrutiny Committee, the Leader of the Council withdrew his nomination. It was agreed that the appointment of a non-aligned Member to this Committee would be deferred to the next Council meeting.

The above nominations with the exception of the Overview and Scrutiny Committee were then agreed.

54. ADJOURNMENT OF MEETING

RESOLVED that the meeting be adjourned at 8:47pm to allow the Chairperson to seek advice from the Monitoring Officer.

55. RESUMPTION OF BUSINESS IN OPEN SESSION

RESOLVED that the meeting of the Council resumes at 8:53pm.

56. APPOINTMENT OF MEMBERSHIP OF COMMITTEES OF THE COUNCIL (CONTINUED)

The Leader of the Council continued with his nominations of non-aligned Members to the following Committees, which were duly seconded:

Investigating and Disciplinary Committee	Councillor A M Lay
Investigating and Disciplinary Panel	Councillor S White

These nominations were duly agreed.

Moving onto the Joint Standards Committee (JSC) the Chairperson advised that the earlier deferral related to District Councillors, but the Council needed to appoint the two Parish / Town Councillors. The following nominations were made and duly seconded:

- Councillor Steven Bardwell
- Councillor Peter Allen Davey
- Councillor Michael John Hall
- Councillor Lester Magness
- Councillor Stephen Stratton

In response to a query regarding the voting procedure the Lead Legal Specialist and Monitoring Officer advised the Council that Procedure Rules 6 and 13 set out the procedure for voting on this particular matter. He clarified that should Members not wish to vote they could abstain.

Following the first round of voting the Chairperson declared that Councillors Bardwell, Davey and Magness, having the least number of votes, would be struck off the list. A fresh vote was then taken for the remaining Councillors (Councillors Hall and Stratton), following which the Chairperson reported that Councillor Stratton was appointed. Following the second round of voting that took place (for Councillors Bardwell, Davey, Hall and Magness) the Chairperson declared that Councillor Davey was appointed as the second Parish Councillor on the JSC.

The Chairperson then moved recommendation (iv) as set out in the report and this was duly agreed.

RESOLVED

- that the allocation of seats on Committees as set out in Section 3.6 of the report be ratified;
- that accordingly, the membership of the Committees of the Council as set out below be agreed:

Committee	Members
Performance, Governance and Audit	Councillors M G Bassenger V J Bell S J Burwood N R Miller R G Pratt N G F Shaughnessy

Committee	Members
	N D Spenceley W Stamp, CC J C Stilts M E Thompson
Strategy and Resources	Councillors D O Bown J Driver M FL Durham, CC T Fittock A S Fluker K Jennings A M Lay R H Siddall W Stamp, CC M E Thompson S White
Overview and Scrutiny Overview and Scrutiny (meeting as the Crime and Disorder Committee)	Councillors L J Haywood J C Hughes S J N Morgan C P Morley M G Neall P L Spenceley E L Stephens N J Swindle L L Wiffen <i>One vacancy</i>
Joint Standards	<i>Eight District Councillor vacancies</i> <u>Parish Councillors (non-voting):</u> Parish Councillor P A Davey Town Councillor S C Stratton <u>Independent Person:</u> Mr J Mitchel (<i>Reserve: Ms K Payne</i>)
Investigating and Disciplinary	Councillors A M Lay M G Neall E L Stephens N J Swindle M E Thompson
Investigating and Disciplinary Panel Minimum of five Members of the Council – politically balanced – of which three have not served on the initial investigation carried out by the Investigating & Disciplinary Committee. In addition, two or three Independent Persons appointed by the Council to assist the Joint Standards Committee under the Localism Act 2011.	Councillors D O Bown L J Haywood K Jennings W J Laybourn S J N Morgan N G F Shaughnessy R H Siddall N D Spenceley J C Stilts S White <u>Independent Person:</u> Mr J Mitchel (<i>Reserve: Ms K Payne</i>)

- (iii) That Members note the Chairperson's job description attached at Appendix B to the report.

57. ADJOURNMENT OF MEETING

RESOLVED that the meeting be adjourned at 9:16pm to allow special meetings of Committees to be held as follows:

Performance, Governance and Audit Committee, Strategy and Resources Committee, Overview and Scrutiny Committee (including Overview and Scrutiny Committee acting as the Crime and Disorder Committee), Investigating and Disciplinary Committee, Licensing Committee, District Planning Committee, Central Area Planning Committee, North Western Area Planning Committee and South Eastern Area Planning Committee.

58. RESUMPTION OF BUSINESS

RESOLVED that the meeting of the Council resumes at 9:35pm.

59. APPOINTMENT TO MEMBERSHIP OF COMMITTEES OF THE COUNCIL - CONTINUED

The Chairperson advised that the Council would not be appointing Members to the Appointments Board at this time and this would be deferred to the next meeting of the Council.

60. APPOINTMENT OF REPRESENTATIVES TO LOCAL GOVERNMENT AND OUTSIDE BODIES

The Council considered the report of the Director of Strategy, Performance and Governance, circulated prior to the meeting, seeking Members' consideration of the appointment of representatives to serve on Local Government and Outside Bodies for the ensuing municipal year.

The Chairperson put the three recommendations set out in the report to the Council.

Councillor J Driver, Leader of the Liberal Democrat Group, advised that for the Maldon Tourism Board the substitute should be Councillor K Jennings and not Councillor N R Miller as detailed. This amendment was duly seconded.

The Chairperson moved the recommendations subject to the amendment detailed above and upon a vote being taken this was agreed.

RESOLVED

- (i) That the appointment of representatives to Local Government and Outside Bodies, as detailed in **APPENDIX 1** nominated by the respective Political Groups, be agreed for the Municipal Year to May 2024;
- (ii) That Members appointed as representatives to Local Government and Outside Bodies are responsible for sharing minutes of meetings attended, to be stored centrally on the Modern.Gov library as per the details in section 3.3 of the report.

61. APPOINTMENT OF MEMBERS TO SERVE ON WORKING GROUPS OF THE COUNCIL

The Council considered the report of the Director of Strategy, Performance and Governance, circulated prior to the meeting, seeking Members' agreement to appoint Members to serve on Working Groups of the Council for the municipal year.

In response to a question regarding membership of the Devolution Working Group (DWG), Councillor K M H Lagan advised that he wishes to step down from this Working Group. Councillor J C Stilts nominated Councillor A S Fluker be appointed to the DWG taking the place vacated by Councillor Lagan. This was duly seconded and agreed.

Councillor Fluker proposed that the quorum of Working Groups be changed to refer to a specific number, he suggested three Members. Councillor M E Thompson seconded the proposal advising she agreed with the suggested quorum of three members. The Chairperson put this to the Council, and this was duly agreed.

The Chairperson then moved the recommendations as set out in the report, subject to the above amendment, and these were duly agreed.

RESOLVED

- (i) that the appointments to the Working Groups as set out **APPENDIX 2** to these Minutes be confirmed;
- (ii) That Members appointed as the Chairperson of a Working Group will provide a leadership role, and present back Working Group recommendations to Committee / the Council;
- (iii) That a quorum for Working Groups be set to three Members;
- (iv) That substitutes for Working Groups are allowed, including non-aligned Members (who must notify directly) as the Working Groups do not need to be politically balanced;
- (v) That the make-up of the Member Training and Development Working Group is changed to eight members of the Council, as reflected in the Political Group nominations as set out in Appendix 1 to the report.

62. QUESTIONS TO THE LEADER OF THE COUNCIL IN ACCORDANCE WITH PROCEDURE RULE 1(3)(M)

Councillor P L Spenceley asked the Leader of the Council for clarify on the way forward for Heybridge Flood Alleviation Reference Group as this was not detailed in the papers discussed earlier by the Council. The Leader of the Council agreed that this was an important matter for Heybridge and should be brought back to the Council. He suggested that a Working Group may be considered which could liaise with partners (particularly those that implement such schemes) and lobby parliament. The Leader commented that this issue was wider than just Heybridge as it also affected the Dengie and it would therefore be beneficial for the Council to have focus on this matter.

Having provided some detail regarding budget shortfalls relating to the 2023 / 24 budget, Councillor A S Fluker asked the Leader of the Council why he had voted to support the 2023 / 24 budget and Medium-Term Financial Strategy. He also asked why the Leader had not supported the Motion to the Council in 2022 for an Autumn

budget which he felt would have improved the financial position of the Council. In response to the Leader of the Council agreed that future of the Council was important and how the Council still had £5m of reserves. However, if the Council did not look at how it allocated monies it would drop below reserves in the next few years. The Council needed ensure its Strategy reflected how expenditure and services were agreed. The Leader referred to the awaited Local Government Association (LGA) finance review and how the Council would look at how it shared services with other Local Authorities. He hoped in the future the Finance Working Group would change to a Finance Board with representatives from across all Groups.

Councillor W Stamp advised that a resident had requested that she ask the Leader of the Council if he had any intention of joining the Conservative Party and leaving the Maldon District Independent Group. The Leader of the Council responded that he was elected as a Conservative Member and then became Independent. He had no intention of joining the Conservatives. The key was to ensure that all Members worked together at this Council with a focus on the District and its residents. The Leader advised he was looking forward to working with all Political Groups and non-aligned Members to ensure the Council delivered for this District.

Councillor J C Stilts referred to the Leaders' statement (scheduled to be given at the July meeting of the Council) and asked if the Leader of the Council would share his statement with the Leaders of the other parties beforehand. In response the Leader confirmed that his statement would be shared, and he referred to being in a coalition working informally with other political Groups to ensure the Council was administered in the right way. The Leader advised he would not be making any statement without the approval of the other Groups that they were working with.

There being no other items of business the Chairperson closed the meeting at 9.58 pm.

K M H LAGAN
CHAIRPERSON

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Representatives to Outside Bodies

Local Government Bodies:

BODY	REPRESENTATIVE	LEAD OFFICER
East of England Local Government Association	Leader of the Council	Director of Strategy, Performance and Governance
Local Government Association	Leader of the Council	Director of Strategy, Performance and Governance

Outside Bodies (not appointed by Maldon District Council but involve Members of the Council):

BODY	REPRESENTATIVE	LEAD OFFICER
Essex Partnership Board (Mid Essex Representative)	Leader of the Council	Director of Strategy, Performance and Governance
Essex Leaders and Chief Executives Group	Leader of the Council	Director of Strategy, Performance and Governance

Representatives to Outside Bodies made by the Council:

BODY	LEAD OFFICER	TO BE APPOINTED	2023 / 24 REPRESENTATIVES
Action for Family Carers Liaison Board	Thematic Lead, Community	One Member of Council	N J Swindle
Blackwater Estuary Siltation Steering Group – Annual meeting	River Bailiff / Lead Countryside and Coast Coordinator	One Member of the Council- same Member as Harbour Improvement Representative	A S Fluker
Bradwell Local Community Liaison Council	Strategy, Policy and Communications Manager	Four Members of the Council	T Fittock M G Neall R G Pratt P L Spenceley
Brickhouse Farm Management Committee	Customer, Community and Casework Manager	Two Members of the Council	K M H Lagan J C Stilts
Civilian and Military Partnership Board	Thematic Lead, Community	One Member of the Council	S J N Morgan

BODY	LEAD OFFICER	TO BE APPOINTED	2023 / 24 REPRESENTATIVES
Drapers Farm Sports Club Committee	Countryside and Coast Manager	One Member of the Council	S J Burwood <i>Reserve: N D Spenceley</i>
Essex Coastal Forum	Countryside and Coast Manager	One Member of the Council <i>Substitute: One Member of the Council</i>	T Fittock <i>Substitute: K M H Lagan</i>
Essex Countywide Traveller Unit Joint Committee	Lead Specialist, Community	One Member of the Council	J C Hughes
Essex Climate Action Forum District and Borough Climate Action Board	Lead Specialist - Community / Strategy Policy and Communications Manager	One Member of the Strategy and Resources Committee	T Fittock
Essex Flood Partnership Board	Lead Specialist- Community	One Member of the Council <i>Substitute: One Member of the Council</i>	P L Spenceley <i>Substitute: T Fittock</i>
Essex Housing Policy Portfolio	Lead Specialist- Community	One Member of the Council	Chairperson of the Strategy and Resources Committee
Essex Planning Policy Portfolio and Chairpersons Group	Lead Specialist Place / Strategy, Policy and Communications Manager	Chairperson of the Strategy and Resources Committee <i>Substitute: Vice-Chairperson of the Strategy and Resources Committee</i>	Chairperson of the Strategy and Resources Committee <i>Substitute: Vice-Chairperson Strategy and Resources Committee</i>
Essex Police Fire and Crime Panel (<i>The Substitute must be from the same Political Group</i>)	Director of Service Delivery	One Member of the Council <i>Substitute: One Member of the Council</i>	S J Burwood <i>Substitute: P L Spenceley</i>

BODY	LEAD OFFICER	TO BE APPOINTED	2023 / 24 REPRESENTATIVES
Essex Waste Member Partnership Board	Lead Specialist Community / Specialist for Commissioning and Contracts (Waste)	Chairperson of the Strategy and Resources Committee <i>Substitute: Vice-Chairperson Strategy and Resources Committee</i>	Chairperson of the Strategy and Resources Committee <i>Substitute: Vice-Chairperson Strategy and Resources Committee</i>
Livewell Partnership Group	Customer, Community and Casework Manager / Strategy Theme Lead – Community	Six Members of the Council	S J Burwood A M Lay N G F Shaughnessy E L Stephens J C Stilts S White
Local Area Highways Panel	Highways Liaison Officer Essex County Council	One Member of the Council	S J N Morgan
Local Government Association Coastal Issues Special Interest Group	Countryside and Coast Manager	One Member of the Council <i>Substitute: One Member of the Council</i>	T Fittock <i>Substitute: R G Pratt</i>
Local Government Flood Forum	Lead Specialist – Community	One Member of the Council <i>Substitute: One Member of the Council</i>	P L Spenceley <i>Substitute: T Fittock</i>
Maldon District Dementia Alliance (appointed by the Council 18/03/21)	Strategy Theme Lead - Community	One Member of the Council	N J Swindle
Maldon District Tourism Board		One Member of the Council	J C Stilts <i>Reserve: K Jennings</i>

BODY	LEAD OFFICER	TO BE APPOINTED	2023 / 24 REPRESENTATIVES
Maldon Harbour Improvement Commissioners <i>This position is an appointment as a Commissioner for a minimum period of three years (appointment will continue even if Member leaves the Council)</i>	River Bailiff / Countryside and Coast Manager	One member of Council - same as Blackwater Estuary representative	A S Fluker
Maldon High Street Focus Group (Council 16 July 2020)	Strategy Theme Lead – Place	Two Members of the Council	K Jennings N R Miller
Mid Essex Alliance	Director of strategy, performance and governance	Leader of the Council	Leader of the Council
North Essex Economic Board (NEEB)	Lead specialist prosperity	Leader of the Council	Leader of the Council
PATROL (Parking and Traffic Regulations Outside London) Adjudication Joint Committee 2022-23		One Member of the Council	E L Stephens
Plume Educational Trust (Four yearly appointment)		Two Members of the Council	C Swain (from 15 June 2021 until 14 June 2025) R H Siddall (until 14 June 2023) * <u>*From 15 June 2023:</u> K Jennings (from 15 June 2023)
Responsible Authorities Group (RAG) (Community Safety)	Director of Service Delivery / Director of Strategy, Performance and Governance / Community Safety Partnership Manager	One Member of the Council <i>Substitute: One Member of the Council</i>	T Fittock <i>Substitute: N D Spenceley</i>
River Crouch Coastal Community Team (Management Team)		One Member of the Council	D O Bown
Safer Essex Group	Director of Service Delivery	One Member of the Council	T Fittock

BODY	LEAD OFFICER	TO BE APPOINTED	2023 / 24 REPRESENTATIVES
South Essex Parking Partnership – Joint Committee	Customer, Community and Casework Manager	One Member of the Council <i>Substitute: One Member of the Council</i>	S J N Morgan <i>Substitute: R G Pratt</i>
Superfast Essex Steering Board	Strategy Theme Lead - Place	Chairperson of the Strategy and Resources Committee	Chairperson of the Strategy and Resources Committee
*Southend Airport Consultative Committee	Strategy Theme Lead– Prosperity	One Member of the Council	D O Bown
Stow Maries Aerodrome Consultative Committee (Appointed 20/12/18)	Director of Resources	Two Members of the Council	T Fittock N D Spenceley
The Thomas Plume Library Charitable Incorporated Organisation		One Member of Council	N D Spenceley

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Member Working Groups**Appointed by the Council:**

Member Working Group	Lead Officer	To appoint	2023 / 24 Representatives
Asset Management Working Group	Director of Service Delivery	Eight Members of the Council	M G Bassenger J Driver M F L Durham, CC T Fittock A S Fluker S J N Morgan P L Spenceley J C Stilts
Air Quality Management (Market Hill) Member Officer Working Group	Strategy, Policy and Communications Manager	Eight Members of the Council	J C Hughes K M H Lagan A M Lay N R Miller N G F Shaughnessy P L Spenceley J C Stilts N J Swindle
Corporate Projects Member Working Group	Director of Resources	Eight Members of the Council	J Driver M F L Durham, CC T Fittock A S Fluker K M H Lagan R H Siddall N D Spenceley W Stamp, CC

Member Working Group	Lead Officer	To appoint	2023 / 24 Representatives
Finance Member Working Group	Director of Resources	Eight Members of the Council	J Driver M F L Durham, CC T Fittock A S Fluker R H Siddall N D Spenceley W Stamp, CC M E Thompson
Leisure Contract Working Group	Commercial Manager / Director of Service Delivery	Eight Members of the Council	M F L Durham, CC T Fittock L J Haywood A M Lay S J N Morgan P L Spenceley E L Stephens N J Swindle
Member Training and Development Member Working Group	Programmes, Performance and Governance Manager	Leader, Deputy Leader and all Chairman of Committees Eight members of the Council	S J Burwood S J N Morgan R H Siddall N D Spenceley W Stamp, CC E L Stephens J C Stilts M E Thompson
Planning Policy Working Group	Director of Strategy, Performance and Governance	Eight Members of the Council	J Driver T Fittock A S Fluker K M H Lagan S J N Morgan R H Siddall P L Spenceley M E Thompson

Member Working Group	Lead Officer	To appoint	2023 / 24 Representatives
Strategic Housing Board	Senior Specialist - Housing	Six Members of the Council	K Jennings S J N Morgan N G F Shaughnessy W Stamp, CC E L Stephens N J Swindle
Devolution working group	Director of Strategy, Performance and Governance	Leader of the Council Leader of the Opposition Chairperson of the Performance, Governance and Audit Committee (PGA) Chairperson of the Strategy and Resources Committee (S&R) And four other members plus three Essex County Council (ECC) Councillors	Leader of the Council Leader of the Opposition Chairperson of PGA Chairperson of S&R J Driver T Fittock A S Fluker P L Spenceley Three ECC Councillors

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AREA OF SPECIAL CONTROL

Area of Special Control relates to all of the Maldon District unless it falls within the areas outlined in black on the attached plans.

AREAS OF SPECIAL CONTROL

THE TOWN AND COUNTRY PLANNING (CONTROL OF ADVERTISEMENTS) REGULATIONS 1984

Within an Area of Special Control four main categories of advertisements are permitted.

These areas:

- a) election notices, statutory advertisements and traffic signs, (Regulation 9);
- b) advertisements inside a building (Regulation 12);
- c) advertisements with a deemed consent (Regulation 14). These include functional advertisements of local authorities and statutory undertakers, small professional signs, signs on hotel and inns, certain temporary advertisements such as "for sale" signs, advertisements on the forecourts of business premises, flag advertisements; and
- d) temporary advertisements for travelling circuses and fairs (Regulation 23).

Additionally express consent may be granted only for the display of advertisements of the following categories:-

- e) notices about local events or activities
- f) advance signs or directional signs which are "reasonably required" to direct people to the place identified on the sign;
- g) advertisements required for public safety reasons, and
- h) an advertisement which could be displayed with deemed consent {(c) above} if it is reasonable for the normal size, height or illumination limits to be exceeded.

With regard to advertisements displayed with deemed consent {(c) above} slightly more stringent requirements apply to advertisements which may be displayed within an Area of Special Control. Generally letters, figures etc. cannot exceed 0.3m and advertisements must not be displayed at a height exceeding 3.6m above ground level. Advertisements on business premises must not exceed 10% of the area of the face of the building up to a maximum of 3.6m above ground level.

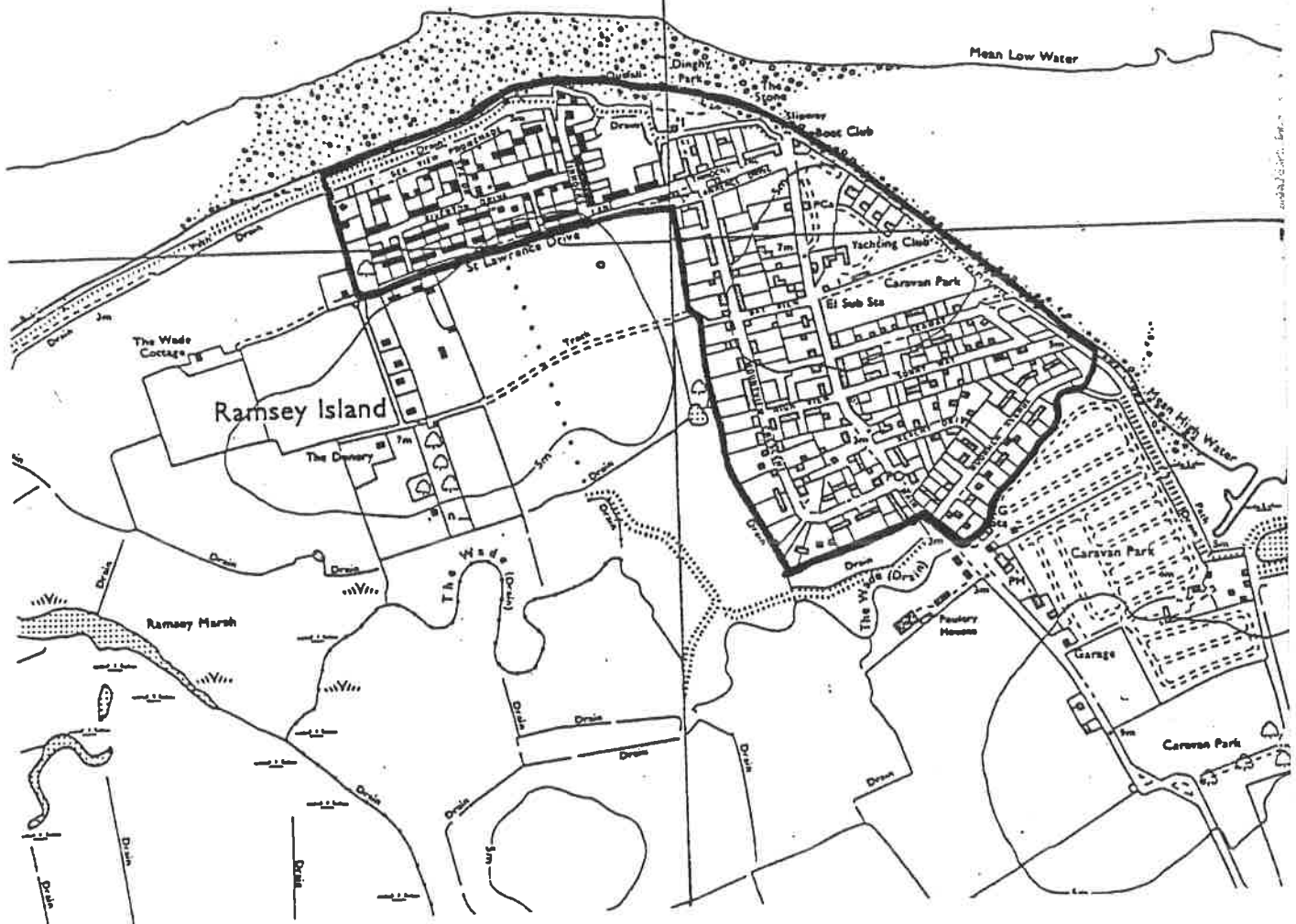
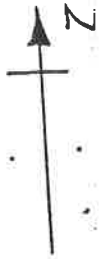
The foregoing is a summary of the relevant provisions of current legislation and is intended for guidance only. Anyone who requires further clarification or detail on any point is advised to consult The Town and Country Planning (Control of Advertisements) Regulations 1984 (S.I. 1984/421) and Department of the Environment Circular II.84 in respect of those Regulations.





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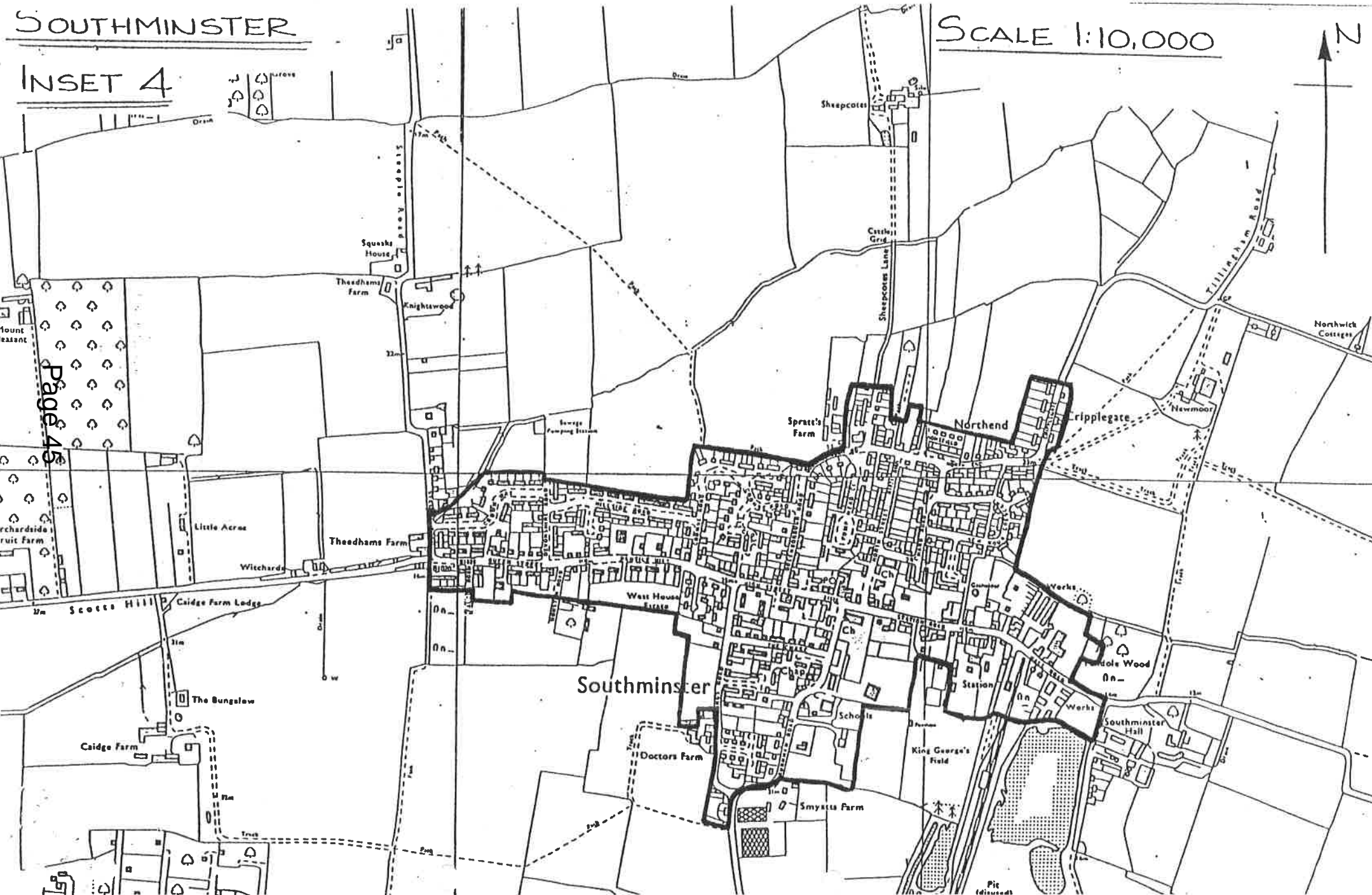
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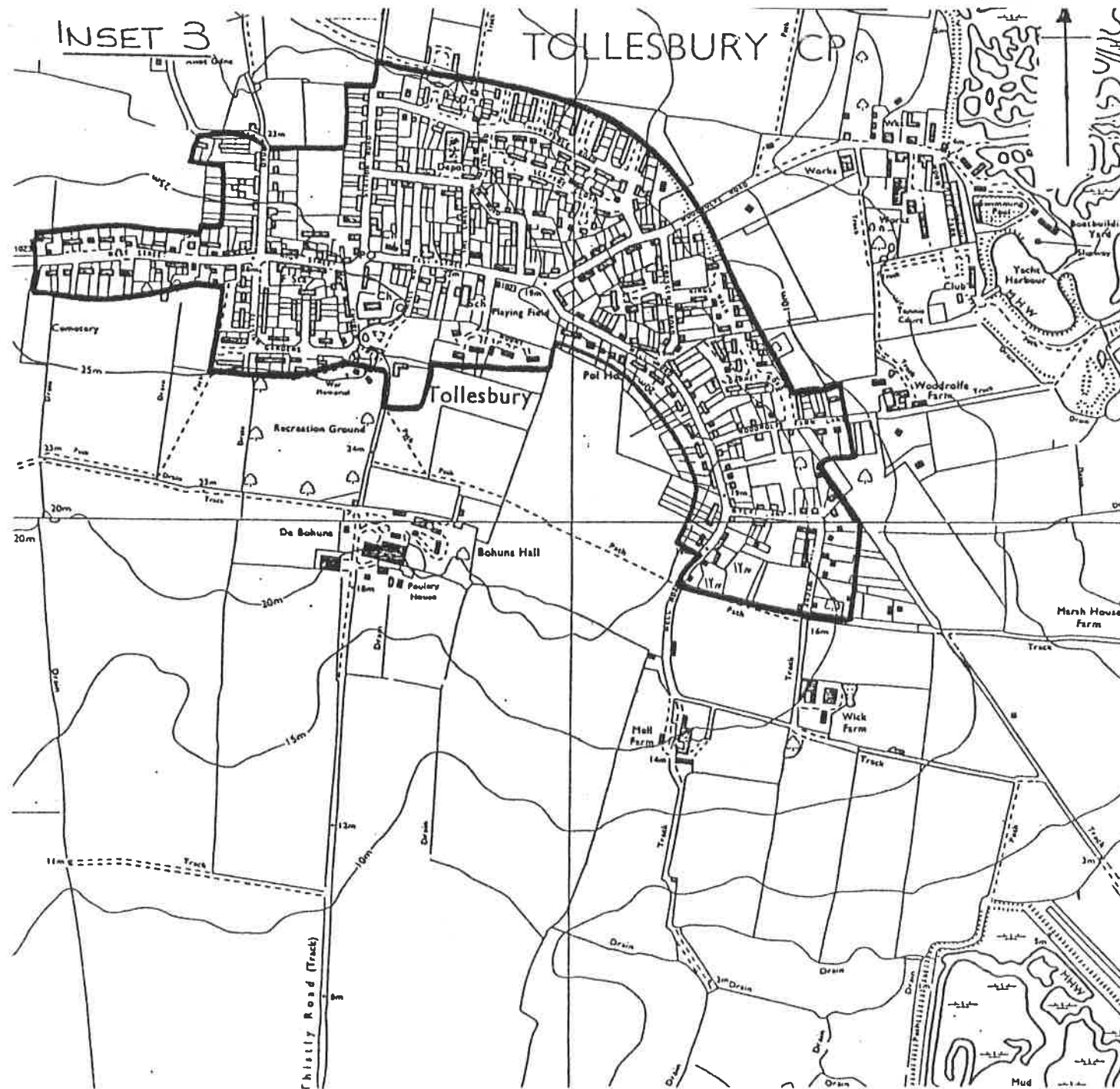


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MALDON DISTRICT COUNCIL

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

Version Control

<i>Version</i>	<i>Version date</i>	<i>Revised by</i>	<i>Description</i>
1	June 2017	LM	Policy
2	June 2017	DA	Revisions
3	July 2017	LM	Revisions
4	July 2017	DA	Sign Off
5	October 2017	LM	Revisions MLM
6	November 2017	LM	Revisions MLM
7	January 2019	LM	Full update of policy
8	April 2020	LM/DA	Full update of policy & inclusion of COVID-19 reliefs
9	April 2021	LM/DA	Full update of policy & inclusion of COVID-19 reliefs
10	February 2022	LM/DA	Full update of policy & inclusion of COVID-19 reliefs
11	February 2023	LM/DA	Full update of policy & inclusion of Cost of Living reliefs
12	March 2023	LM/DA	Inclusion of Heat Network Relief

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1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of discretionary relief and related areas to be granted to certain defined ratepayers within the Council's area. The policy includes all changes effective from 1st April 2023 and includes all new reliefs due to the revaluation of rateable values in April 2023 and the cost of living crisis. The Council is keen to support businesses during the crisis, as far as possible.
- 1.2 The Local Government Finance Act 1988 and subsequent legislation requires the Council to grant mandatory relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise, certain premises situated within a rural settlement area will be eligible for mandatory relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the Council feels the granting of such relief would be of benefit to the local community.
- 1.3 In addition to the above, Central Government is keen that in certain cases, assistance should be provided to businesses who have had increases in their rate liability due to the revaluation of premises in April 2023. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.
- 1.4 Whilst the Council is obliged to grant relief to premises, which fall within the mandatory category, the Council also has powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met. In the case of the new reliefs, some guidance has been issued by Central Government outlining actions expected to be taken by local authorities. This policy includes Government guidance where appropriate but also looks to target discretionary relief in line with the Council's priorities.
- 1.5 This document outlines the following areas:
- Details of the criteria for receiving Discretionary Reliefs for all relevant areas;
 - The Council's policy for the granting of all types of Discretionary Reliefs;
 - Guidance on granting and administering the reliefs and awards; and
 - The Council's Scheme of Delegation.
- 1.6 Where organisations apply for relief they will be granted (or not granted) relief or reductions in line with the following policy.

2.0 Mandatory Relief - Legislative Background

Charity Relief

- 2.1 The powers relating to the granting of mandatory¹ and discretionary relief are given to the Council under the Local Government Finance Act 1988². Charities and Trustees for Charities are only liable to pay one fifth of the Non-Domestic Rates that would otherwise be payable where property is occupied and used wholly or mainly for charitable purposes. This amounts to mandatory relief of 80%. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. The provision has been extended under the Local Government Act 2003 (effective from 1st April 2004) to registered Community Amateur Sports Clubs (CASCs). Full details of the mandatory provisions are given later within this policy.
- 2.2 In the case of charity shops, the premises must meet the criteria laid down by section 64 (10) of the Local Government Finance Act 1988 which states that the premises are to be treated as used for charitable purposes at any time it is wholly or mainly used for the sale of goods donated to the charity and the proceeds of goods (after any deductions for expenses) are applied for the purpose of the charity.
- 2.3 The Council has discretion to grant relief of up to a further 20% for these mandatory cases under its discretionary provisions.

Rural Rate Relief

- 2.4 From 1st April 1998, under powers originally granted to the Council by the Local Government and Rating Act 1997³, certain types of business in rural settlements, with a population below 3000 may qualify for mandatory rate relief of 50 per cent. Businesses that qualify for this relief are the sole general store and the sole post office in the settlement, provided it has a Rateable Value of up to £8500; any food shop with a Rateable Value of up to £8500; and the sole pub and the sole petrol station in the settlement provided it has a Rateable Value of up to £12500.
- 2.5 From 1st April 2023, Central Government has indicated that it wants all authorities to give 100% relief to premises that receive mandatory rural rate relief. Where the additional 50% is granted, a section 31 grant will be made available to the Council. This is dealt with further within this policy and the Council will automatically grant the additional 50% discretionary relief where appropriate
- 2.6 Where businesses in rural settlements have a Rateable Value of up to £16,500 **and** are not in receipt of mandatory relief, the Council may decide to give up to 100 per cent discretionary relief if it is satisfied that the business is of benefit to the community and having regard to the interests of its Council Taxpayers.

¹ S43 & S45 Local Government Finance Act 1988

² S47 & S48 Local Government Finance Act 1988

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

3.0 Discretionary Relief – Legislative Background

Introduction

- 3.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to 'top' up cases where ratepayers already receive mandatory relief.
- 3.2 Over recent years and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide more assistance to businesses and organisations.
- 3.3 The range of bodies, which are eligible for discretionary rate relief, is wide and not all of the criteria laid down by the legislation will be applicable in each case.
- 3.4 Unlike mandatory relief, ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information and evidence as required in order to determine whether relief should be awarded.
- 3.5 The Council is obliged to carefully consider every application on its merits, taking into account the contribution that the organisation makes to the amenities within the authority's area. There is no statutory appeal process or Tribunal against any decision made by the Council although, as with any decision of a public authority, decisions can be reviewed by Judicial Review. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.
- 3.6 Granting of the relief falls broadly into the following categories:
- (a) Discretionary Relief – Charities who already receive mandatory relief.
 - (b) Discretionary Relief – Premises occupied by organisations not established or conducted for profit whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts **or** premises occupied by organisations not established or conducted for profit and wholly or mainly used for purposes recreation;
 - (c) Discretionary Relief – Rural Rate relief - premises that already receive mandatory relief;
 - (d) Discretionary Relief – Rural Rate relief - premises not receiving mandatory relief but of benefit to the local community and less than £16,500 RV;
 - (e) Discretionary Relief – Granted under the Localism Act 2011 provisions;
 - (f) Local Newspaper Relief (from 1st April 2023 until 2025);
 - (g) Supporting Small Businesses Relief (from 1st April 2023 for a period of up to three years);
 - (h) Retail, Hospitality and Leisure Business Rates Relief (from 1st April 2022 for a period of one year);
 - (i) Retail, Hospitality and Leisure Business Rates Relief (from 1st April 2023 for a period of one year);
 - (j) S49 Hardship Relief.
- 3.7 The decision to grant or not to grant discretionary relief is a matter purely for the Council.

The Council's general approach to granting Discretionary Relief

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

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

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

4.0 Effect on the Council's Finances

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

Appendix	Relief Type	Granted after 1 st April 2023
	Charity Relief	
A	Discretionary relief granted to Mandatory Relief recipients	40% borne by the Council
B	Non-profit Making Organisations including Sports Clubs and societies	40% borne by the Council
	Rural Rate Relief	
C	50% Discretionary relief granted to Mandatory Rural Relief recipients	Section 31 Grant
D	Other premises within a rural settlement under £16500 RV	40% borne by the Council
	Localism	
E	Discretionary Relief granted to ratepayers generally and not covered by any other section	40% borne by the Council
	Local Newspaper Relief	
F	Discretionary Relief granted to local newspapers meeting the criteria (From 1 st April 2023 up until 2025)	Section 31 Grant
	Supporting Small Business Relief	
G	Supporting Small Businesses Relief (from 1 st April 2023 for a period of up to three years if conditions are met	Section 31 Grant
	Retail, Hospitality and Leisure Business Rates Relief	

Appendix	Relief Type	Granted after 1 st April 2023
H	Retail, Hospitality and Leisure Business Rates Relief (from 1 st April 2022 for a period of one year);	Section 31 Grant
	Retail, Hospitality and Leisure Business Rates Relief	
I	Retail, Hospitality and Leisure Business Rates Relief (from 1 st April 2023 for a period of one year)	Section 31 Grant
	Heat Network Relief	
J	Relief for all Heat Networks for a period of 1 year	Section 31 Grant
	S49 Hardship Relief	
K	Partial or full relief for cases of hardship where it would be reasonable to do so having due regard to the interests of council taxpayers	40% borne by the Council

5.0 Administration of Discretionary Relief

- 5.1 The following section outlines the procedures followed by officers in granting, amending, or cancelling discretionary relief and reduction. This is essentially laid down by legislation⁴

Applications and Evidence

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

⁴ The Non-Domestic Rating (Discretionary Relief) Regulations 1989

Granting of relief

- 5.6 In all cases, the Council will notify the ratepayer of decisions made.
- 5.7 Where an application is successful, then the following will be notified to them in writing:
- The amount of relief granted and the date from which it has been granted;
 - If relief has been granted for a specified period, the date on which it will end. (It should be noted that reliefs are granted for the period specified in the appropriate Appendix and may vary from a day to a full financial year);
 - The new chargeable amount;
 - The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and
 - A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to relief.
- 5.8 Where relief is not granted, then the following information is provided, again in writing:
- An explanation of the decision within the context of the Council's statutory duty; and
 - An explanation of the appeal rights (see below).
- 5.9 Discretionary relief is to be granted from the beginning of the financial year in which the decision is made or when liability begins whichever is the later. Since 1997 decisions can be made up to 6 months after the end of the financial year for which the application was made. In such cases, the Council *may* backdate its decision.
- 5.10 A decision to award discretionary relief and how much relief is given is normally only applicable to the financial year for which the application is made. However, the Council reserves the right to grant relief for any other period as appropriate.
- 5.11 A fresh application for discretionary relief will be necessary for each financial year **or** at such time-period as the Council determines.

Variation of a decision

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

- Where the amount is to be reduced for any other reason, it will take effect from a date determined by the Council as appropriate;
- 5.13 A decision may be revoked at any time however; a one-year period of notice will be given, and the change will take effect at the expiry of a financial year.

6.0 Scheme of Delegation

Granting, Varying, Reviewing and Revocation of Relief

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

Reviews

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

Appeals

- 6.5 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by the Lead Specialist, Service Delivery. Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.
- 6.6 Where the ratepayer wishes to appeal the decision of the Lead Specialist, Service Delivery the case will be considered by the Section 151 officer or another member of the Corporate Leadership team, whose decision on behalf of the Council will be final
- 6.7 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.

7.0 Reporting changes in circumstances

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

8.0 Fraud

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

Appendix A

Discretionary Relief - Mandatory Relief recipients

Discretionary Relief – Mandatory Relief recipients

General Explanation

- A.1 S43 of the Local Government Finance Act 1988 allows mandatory relief (80%) to be granted on premises if the ratepayer is a charity or trustees for a charity and the premises are wholly or mainly used for charitable purposes. No charge is made in respect of unoccupied premises where it appears that *when next in use* it will be used wholly or mainly for those purposes.
- A.2 The legislation has been amended by the Local Government Act 2003 (effective from 1st April 2004) to include registered⁵ Community Amateur Sports Clubs (CASC). These organisations can now receive the mandatory (80%) relief.

Charity registration

- A.3 Charities are defined within the legislation as being an institution⁶ or other organisation established for charitable purposes only or by persons administering a trust established for charitable purposes only.
- A.4 The question as to whether an organisation is a charity may be resolved in the majority of cases by reference to the register of charities maintained by the Charity Commissioners under s.4 of the Charities Act 1960. Entry in the register is conclusive evidence. By definition, under the Non-Domestic Rating legislation, there is no actual need for an organisation to be a registered charity to receive the relief and this has been supported by litigation⁷, however in all cases the organisation must fall within the following categories:
- trusts for the relief of poverty;
 - trusts for the advancement of religion;
 - trusts for the advancement of education; and
 - trusts for other purposes beneficial to the community, but not falling under any of the preceding heads.
- A.5 Certain organisations are exempted from registration generally and are not required to make formal application to the Charity Commissioners these are:
- the Church Commissioners and any institution administered by them;
 - any registered society within the meaning of the Friendly Societies Acts of 1896 to 1974;
 - units of the Boy Scouts Association or the Girl Guides Association; and
 - voluntary schools within the meaning of the Education Acts of 1944 to 1980.
- A.6 The Council will consider charitable organisations, registered or not, for mandatory relief.

⁵ Registered with HMRC as a CASC

⁶ S67(10) Local Government Finance Act 1988

⁷ Income Tax Special Commissioners v Pemsell (1891)

Use of Premises - wholly or mainly used

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

Offices, administration, and similar premises

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

Charity shops

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

Granting of Mandatory Relief - the Council's Policy

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

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

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

Appendix B

Discretionary Relief - Non-Profit Making Organisations including Recreation.

Discretionary Relief – Non-Profit Making Organisations including Recreation.

General explanation

Non-Profit

- B.1 The legislation⁸ allows the Council to grant discretionary relief where the property is not an *excepted* one and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature, or the fine arts.
- B.2 Relief cannot be granted to any premises occupied by the Council, or any town, parish council or major Precepting Authority (*excepted premises*).
- B.3 A number of issues arise from the term 'not established or conducted for profit'. This requires the Council to make enquiries as to the overall purpose of the organisation although if surpluses and such amounts are directed towards the furtherance or achievement of the objects of the organisation then it does not necessarily mean that the organisation was established or conducted for profit.⁹

Recreation Clubs

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

⁸ S47 Local Government Finance Act 1988

Definition of Recreation

B.7 Recreation is clearly defined by the Sports Council as any of the following¹⁰

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

Access to clubs

- B.8 Guidance issued by the DCLG (now DLUHC) also requires the Council to consider access to clubs within the community before granting discretionary relief.
- B.9 Membership should be open to all sections of the community. There may be legitimate restrictions placed on membership which relate for example to ability in sport or to the achievement of a standard in the field covered by the organisation or where the capacity of the facility is limited, but in general membership should not be exclusive or restrictive.

¹⁰ Definition last reviewed by Sport England in 2002

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

Provision of facilities

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

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

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

national funding streams and financial position of the organisation.

Appendix C
Discretionary Relief - Rural Rate Relief - Mandatory Relief
recipients

Discretionary Relief - Rural Rate Relief - Mandatory Relief recipients

What are the qualifying criteria for Mandatory Relief?

- C.1 For a Post Office or General Store to be entitled to 50% Mandatory Relief, all the following criteria must be met:
- The Rateable Value of the property must not exceed £8,500 (from 1 April 2023);
 - The property must be used as a Post Office or a General Store (see below for definition), or both;
 - The property must be the only Post Office or the only General Store within the Rural Settlement.
- C.2 For a Public House or Petrol Filling Station to be entitled to 50% Mandatory Relief, all the following criteria must be met:
- The Rateable Value of the property must not exceed £12,500 from 1 April 2023);
 - The property must be used as a Public House (see below for definition) or a Petrol Filling Station (see below for definition); and
 - The property must be the only Public House or the only Petrol Filling Station within the Rural Settlement.
- C.3 For a village food shop to be entitled to 50% Mandatory Relief, all the following criteria must be met:
- The Rateable Value of the property must not exceed £8,500 from 1 April 2023); and
 - The property must be used as a shop selling mainly food (see below for definition).

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

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

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

What is the definition of a General Store?

- C.5 For the purposes of Rural Rate Relief, 'General Store' means a business or trade, which wholly or mainly sells by retail both food (other than confectionery) for human consumption and general household goods. Where there are two or more General Stores within the same Rural Settlement, none can qualify

for Mandatory Relief on that basis, although if one of them functions as a Post Office or a Food Shop relief may be claimed independently on that ground. However, both a General Store and a Post Office in the same Rural Settlement will qualify for Mandatory Relief, provided that, they both meet the criteria. Although a General Store or a Post Office may not meet the criteria for Mandatory Relief, they may still be eligible to apply for Discretionary Relief.

What is the definition of a Public House?

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

What is the definition of a Petrol Filling Station?

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

What is the definition of a Food Shop?

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

What are the qualifying criteria for Discretionary Relief?

- C.9 The Council may grant up to 50% Discretionary Relief in respect of any property which qualifies for 50% Mandatory Relief and the Council may also grant up to 100% Discretionary Relief to any rural business which does not meet the mandatory provisions. It should be noted that for 2023 onwards Central Government has requested that Council grant 50% discretionary relief to all ratepayers who receive 50% mandatory rural rate relief.

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

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

time as primarily legislation is changed.

Appendix D

Discretionary Relief - Premises within Rural Settlements

Discretionary Relief – Premises within Rural Settlements

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

Benefit to the local community

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

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

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

Appendix E

Discretionary Relief - Localism Act 2011

Discretionary Relief – Localism Act 2011

General explanation

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

Discretionary Relief – Localism – the Council’s Policy

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

- (j) The ratepayer **must** show that the activities of the organisation are consistent with the Council's core values and priorities.

E.5 Where a ratepayer can demonstrate that **all** of the above criteria are met, relief will be considered for initially a short period.

Appendix F

Local Newspaper Relief

General Explanation

- F.1 This is a temporary relief that will be awarded until 2025 and the Government is not changing the legislation around the reliefs available to these properties. Central Government will reimburse local authorities that use their discretionary relief powers (under section 47(3)) of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in this guidance.
- F.2 The Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.

Eligibility criteria

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

Local Newspapers

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

Office Space

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

Amount of Relief

- F.6 The amount of relief is limited to a maximum of one discount per newspaper title (e.g., per newspaper name) **AND** per hereditament.

Local Newspaper Relief – the Council’s policy for granting discretionary relief.

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

Appendix G

Supporting Small Businesses Relief (until 31st March 2026)

General Explanation

- G.1 For the financial years 2023/24 to 2025/26, the Government will, in line with the eligibility criteria set out below, reimburse the Council if it uses its discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant 2023 Supporting Small Business relief.
- G.2 It will be for the Council, which administers the 2023 Supporting Small Business (2023 SSB) relief, to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.
- G.3 Central government will reimburse the Council and major precepting authorities for the actual cost to them under the rates retention scheme of the 2023 Supporting Small Business relief that falls within the definitions in this policy.

Who is eligible for the 2023 Supporting Small Business Relief (2023 SSB) and how much relief will be available?

- G.4 2023 SSBR will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their Small Business, Rural Rate Relief or 2017 SSBR and, as a result, are facing large increases in their bills.
- G.5 Charities and Community Amateur Sports Clubs, who are already entitled to mandatory 80% relief, are not eligible for 2023 SSBR.
- G.6 To support these ratepayers, 2023 SSBR will ensure that the increase in the bills of these ratepayers is limited to a cash value of £600 per year. This cash maximum increase ensures that ratepayers do not face large bill increases in 2023/24 after transitional relief and small business rate relief (as applicable) have been applied. In order to simplify the scheme, the 2023 SSBR will not include minimum percentage bill increases (unlike the 2017 scheme).
- G.7 Those on 2023 SSBR whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for 2023 SSBR.
- G.8 The 2017 SSBR scheme was provided to support small and medium ratepayers who had seen large increases in their bills at the 2017 revaluation. They have, therefore, had 6 years of support to allow them to adjust to their full 2017 bills. Therefore, for those ratepayers receiving 2017 SSB relief in 2022/23, any eligibility for 2023 SSBR will end on 31 March 2024.
- G.9 The Council will ensure this eligibility criteria is clear in the scheme approved and that relief for these ratepayers is awarded for one year only so that the relief can then be withdrawn on 31 March 2024 without further notice.

- G.10 A change of ratepayers will not affect eligibility for the Supporting Small Business scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.
- G.11 There is no second property test for eligibility for the 2023 SSBR scheme. However, those ratepayers who during 2022/23 lost entitlement to Small Business Rate Relief (because they failed the second property test) but have, under the rules for Small Business Rate Relief, been given a 12 month period of grace before their relief ended - can continue on the 2023 SSBR scheme for the remainder of their 12 month period of grace.

Sequence of reliefs

- G.12 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for 2023 SSBR. For the avoidance of doubt, small business rate relief or rural rate relief will not be applied to further reduce the bill found under 2023 SSBR (to avoid the double counting of relief).
- G.13 The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate will not further reduce the bill found under 2023 SSBR.
- G.14 All other discretionary reliefs, including those funded by section 31 grants, will be considered after the application of 2023 SSBR.

Subsidy control

- G.15 The 2023 SSBR is likely to amount to a subsidy. Therefore, any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations.
- G.16 To the extent that the Council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the 2023/24 year and the two previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted under the £315,000 allowance.
- G.17 In those cases where it is clear to the Council that the ratepayer is likely to breach the MFA limit then the Council will withhold the relief. Otherwise, the Council may include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the Council if they are in breach of the MFA limit.
- G.18 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the Council will include details of the subsidy on the subsidy control database.

Recalculations of reliefs

- G.19 As with other reliefs, the amount of SSBR awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year.
- G.20 Under regulations made under section 47 of the Local Government Finance Act 1988 authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). But within these regulations, the Council may still make decisions which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.
- G.21 Therefore, when making an award for SSBR, the Council will ensure the conditions of the award that the relief are subject to the property's continuing eligibility. If the use of the property changes so that it is no longer eligible, the relevant chargeable amount must be recalculated to reflect that fact.
- G.22 The Council will also ensure that the scheme provides that eligibility for those ratepayers previously in the 2017 SSBR scheme in 2022/23 are eligible for one year of relief only and that the relief will then be withdrawn from those ratepayers on 31 March 2024 without further notice.

Supporting Small Business Rates Relief (2023/24 to 2025/26) - the Council's policy for granting discretionary relief.

- G.23 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

Appendix H

Retail, Hospitality and Leisure Relief (2022/23 only)

Purpose of the Policy

- H.1 The purpose of this policy is to determine the level of discretionary relief to be awarded in respect of the Retail, Hospitality and Leisure Business Rates Relief Scheme for the financial year commencing 1st April 2022.
- H.2 This is a government led initiative and the Council is keen to support businesses as far as possible.

General Explanation

- H.3 The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

Who is eligible for the relief?

- H.4 Hereditaments which benefit from the relief will be those which for a chargeable day in 2022/23:
- (a) meet the eligibility criteria; and
 - (b) the ratepayer for that chargeable day has not refused the relief for the eligible hereditament. The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2023. The ratepayer cannot withdraw their refusal for either all or part of the financial year.
- H.5 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the Council may not grant the discount to themselves certain precepting authorities (e.g., a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

How much relief will be available?

- H.6 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2022/23 under this scheme is for chargeable days from 1 April 2022 to 31 March 2023, 50% of the chargeable amount.
- H.7 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where the Council has used their wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants.
- H.8 Subject to the cash cap, the eligibility for the discount and the relief itself will be assessed and calculated on a daily basis. The formula that will be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2022/23 is $V \times 0.5$, where V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs.

- H.9 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

The cash cap and subsidy control

- H.10 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.
- H.11 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers will be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- (a) where both ratepayers are companies, and
 - (i) one is a subsidiary of the other; or
 - (ii) both are subsidiaries of the same company; or
 - (b) where only one ratepayer is a company, the other ratepayer (the "second ratepayer") has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- H.12 Furthermore, the Retail, Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations.
- H.13 To the extent that the Council is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the TCA allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to 325,000 Special Drawing Rights (£343,000 as at 9th December 2021) in a three-year period (consisting of the 2022/23 year and the two previous financial years). Expanded Retail Discount granted in either 2020/21 or 2021/22 does not count towards the £343,000 allowance but BEIS business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistance limit should be counted.
- H.14 In those cases where it is clear to the Council that the ratepayer is likely to breach the cash cap or the Small Amounts of Financial Assistance limit then the authority will automatically withhold the relief.
- H.15 The amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

Eligibility for the Retail, Hospitality and Leisure Relief Scheme

- H.16 Hereditaments that are eligible for Retail, Hospitality and Leisure scheme will be occupied hereditaments which meet all of the following conditions for the chargeable day:
- (a) they are wholly or mainly being used:
 - (i) as shops, restaurants, cafes, drinking establishments, cinemas, or live music venues;
 - (ii) for assembly and leisure; or

(iii) as hotels, guest & boarding premises, or self-catering accommodation.

H.17 The Council considers shops, restaurants, cafes, drinking establishments, cinemas, and live music venues to mean:

(i) Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc);
- Charity shops;
- Opticians;
- Post offices;
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors);
- Car/ caravan show rooms;
- Second-hand car lots;
- Markets;
- Petrol stations;
- Garden centres; and
- Art galleries (where art is for sale/hire).

(ii) Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc);
- Shoe repairs/ key cutting;
- Travel agents;
- Ticket offices e.g., for theatre;
- Dry cleaners;
- Launderettes;
- PC/ TV/ domestic appliance repair;
- Funeral directors;
- Photo processing;
- Tool hire; and
- Car hire.

(iii) Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants;
- Takeaways;
- Sandwich shops;
- Coffee shops;
- Pubs; and
- Bars.

(iv) Hereditaments which are being used as cinemas

(v) Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the

purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended);

- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) that are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).

H.18 The Council considers assembly and leisure to mean:

(i) Hereditaments that are being used for the provision of sport, leisure, and facilities to visiting members of the public (including for the viewing of such activities):

- Sports grounds and clubs;
- Museums and art galleries;
- Nightclubs;
- Sport and leisure facilities;
- Stately homes and historic houses;
- Theatres;
- Tourist attractions;
- Gyms;
- Wellness centres, spas, massage parlours; and
- Casinos, gambling clubs and bingo halls.

(ii) Hereditaments that are being used for the assembly of visiting members of the public:

- Public halls; and
- Clubhouses, clubs, and institutions.

H.19 The Council considers hotels, guest & boarding premises, and self-catering accommodation to mean:

(i) Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, guest, and boarding houses;
- Holiday homes; and
- Caravan parks and sites.

H.20 To qualify for the relief, the hereditament should be wholly or mainly being used for the above qualifying purposes. This is a test on use rather than occupation, therefore hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

H.21 The lists set out above are not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes.

Ineligible uses

H.22 The lists below set out the types of uses that the government **does not** consider to be an eligible use for the purpose of this discount.

(i) Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops);
- Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors);
- Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents); and
- Post office sorting offices.

(ii) Hereditaments that are not reasonably accessible to visiting members of the public

Retail, Hospitality and Leisure Business Rates Scheme (2022/23) - the Council's policy for granting discretionary relief.

H.23 Over the past few years, a number of schemes have been led by government but without specific legislative changes. These are administered under S47 of the Local Government Finance Act 1988. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

H.24 In the case of Retail, Hospitality and Leisure Business Rates Relief scheme, the Council will grant the relief strictly in accordance with government guidance.

Effect on the Council's Finances

H.25 As this is a government led initiative, grants for the full amount awarded will be available through section 31 of the Local Government Act 2003.

Appendix I

Retail Hospitality and Leisure Relief Scheme (2023/24)

General Explanation

- I.1. At the Autumn Statement on 17 November 2022 the Chancellor announced the introduction of a new business rates relief scheme for retail, hospitality, and leisure properties worth around £2.1 billion in 2023/24. This will support the businesses that make our high streets and town centres a success and help them to evolve and adapt to changing consumer demands.
- I.2 The 2023/24 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with a 75% relief, up to a cash cap limit of £110,000 per business.

How will the relief be provided?

- I.3 As this is a temporary measure for 2023/24, Government is not changing the legislation relating to the reliefs available to properties. Instead, Government will, in line with the eligibility criteria set out in this guidance, reimburse the Council if it uses its discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. It will be for the Council to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.
- I.3 Government will fully reimburse the Council and major precepting authorities for their loss of income under the rates retention scheme as a result of awarding the relief that falls within the definitions in this guidance, using a grant under section 31 of the Local Government Act 2003.
- I.4 The government expects the Council to apply and grant relief to qualifying ratepayers from the start of the 2023/24 billing year.

Which properties will benefit from relief?

- I.5 Hereditaments which benefit from the relief will be those which for a chargeable day in 2023/24:
 - (a) meet the eligibility criteria; and
 - (b) the ratepayer for that chargeable day has not refused the relief for the eligible hereditament. The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2024. The ratepayer cannot subsequently withdraw their refusal for either all or part of the financial year.
- I.6 The Council has decided that, for the purposes of section 47 of the 1988 Act, hereditaments where the ratepayer has refused the relief are outside of the scheme and outside of the scope of the decision of which hereditaments qualify for the discount and are therefore ineligible for the relief.
- I.7 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the Council may not grant the discount to themselves or precepting authorities

How much relief will be available?

- I.8 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2023/24 under this scheme is for chargeable days from 1 April 2023 to 31 March 2024, 75% of the chargeable amount.
- I.9 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where the Council has used its wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants. However, the former categories of discretionary relief available prior to the Localism Act 2011 (i.e., charitable relief etc.) will be applied first in the sequence of discretionary reliefs and, therefore, before Retail, Hospitality and Leisure relief. Authorities may use their discretionary powers to, at cost to themselves, offer further discounts outside this scheme or additional relief to hereditaments within the scheme. However, where the Council applies a locally funded relief under section 47, this will be applied after the Retail, Hospitality and Leisure relief.
- I.10 The ordering **will** be applied in following sequence:
- Transitional Relief
 - Mandatory Reliefs (as determined in legislation)
 - S.47 Discretionary Relief in the following order:
 - (i) 2023 Supporting Small Business (SSB);
 - (ii) Former categories of discretionary relief available prior to the Localism Act 2011 (i.e., charitable, CASC, rural top up, and not for profit) will be applied first in the sequence of discretionary reliefs, after SSB;
 - (iii) Other discretionary (centrally funded);
 - (iv) 2023/24 Retail Hospitality and Leisure relief scheme; and
 - (v) Other locally funded schemes (such as section 49 hardship).
- I.11 Subject to the cash cap, the eligibility for the discount and the relief itself will be assessed and calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2023/24:
- Amount of relief to be granted = $V \times 0.75$ where:
 - V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs in line with 5.3 above.
- I.12 This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- I.13 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

The Cash Cap and Subsidy Control

- I.14 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.

- I.15 Where a ratepayer has a qualifying connection with another ratepayer, then those ratepayers will be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- (a) where both ratepayers are companies, and
 - (i) one is a subsidiary of the other, or
 - (ii) both are subsidiaries of the same company; or
 - (b) where only one ratepayer is a company, the other ratepayer (the "second ratepayer") has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- I.16 The Retail Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations.
- I.17 To the extent that the Council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to £315,000 in a 3-year period (consisting of the 2023/24 year and the 2 previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'. Expanded Retail Discount granted in 2021/22 does not count towards the £315,000 allowance but BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement will be counted.
- I.18 In those cases, where it is clear to the Council that the ratepayer is likely to breach the cash cap or the MFA limit, then the Council will automatically withhold the relief.
- I.19 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the Council will include details of the subsidy on the subsidy control database.

Splits, mergers, and changes to existing hereditaments

- I.20 The relief will be applied on a day-to-day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, will be considered afresh for the relief on that day.

Recalculations of relief

- I.21 The amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.
- I.22 Under regulations made under section 47 of the Local Government Finance Act 1988 the Council must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would

be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). But within these regulations, the Council may still make decisions to ensure the scheme is administered in accordance with the extant rules. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.

Eligibility for the Retail, Hospitality and Leisure Relief Scheme

I.23 The Council uses the following definitions to establish eligibility for the relief:

Hereditaments that meet the eligibility for Retail, Hospitality and Leisure scheme will be occupied hereditaments which meet all of the following conditions for the chargeable day:

- they are wholly or mainly being used:
 - (i) as shops, restaurants, cafes, drinking establishments, cinemas, or live music venues,
 - (ii) for assembly and leisure; or
 - (iii) as hotels, guest & boarding premises, or self-catering accommodation

i. Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/caravan show rooms
- Second-hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g., for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing

- Tool hire
- Car hire

iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bar

iv. Hereditaments which are being used as cinemas

v. Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g., the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g., because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music.

vi. Hereditaments that are being used for the provision of sport, leisure, and facilities to visiting members of the public (including for the viewing of such activities).

- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

vii. Hereditaments that are being used for the assembly of visiting members of the public.

- Public halls
- Clubhouses, clubs, and institutions

viii. Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, Guest, and Boarding Houses
- Holiday homes
- Caravan parks and sites

I.24 To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

I.25 The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes.

Hereditaments that are being used for the provision of the following services to visiting members of the public:

I.26 The list below sets out the types of uses that the government does not consider to be an eligible use for the purpose of this discount. Again, it is for the Council to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them **not** eligible for the discount under their local scheme:

- Financial services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops);
- Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors);
- Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents); and
- Post office sorting offices.

Retail Hospitality and Leisure Business Rates Scheme (2023/24) - the Council's policy for granting discretionary relief.

I.27 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

Appendix J

Heat Network Relief

General Explanation

- J.1 In the Spring Statement 2022, the Chancellor announced that the Heat Network Relief will apply from 1 April 2022 so, for the financial year 2022/23, the relief was delivered using existing local government discretionary relief powers under Section 47 of the Local Government Finance Act 1988, funded by Government by means of a S31 grant. This approach has now been extended to the 2023/24 financial year.
- J.2 The Council therefore intends to provide relief under the discretionary relief provisions for 2023/24 period as requested by Government in order to assist eligible ratepayers.
- J.3 Heat networks take heat or cooling from a central source(s) and deliver it to a variety of different customers such as public buildings, shops, offices, hospitals, universities, and homes. By supplying multiple buildings, they avoid the need for individual boilers or electric heaters in every building. Heat networks have the potential to:
- reduce bills;
 - support local regeneration; and
 - be a cost-effective way of reducing carbon emissions from heating.
- J.4 Heat networks play an important role in decarbonising heat and support delivery of Government's net zero commitments. They are uniquely able to unlock otherwise inaccessible large-scale renewable and recovered heat sources such as waste heat and heat from rivers and mines.

How will the relief be provided?

- J.5 As this is a temporary measure for 2023/24, Government is not changing the legislation. Instead, Government will, in line with the eligibility criteria set out in this policy, reimburse the Council if it uses its discretionary relief powers, under section 47 of the Local Government Finance Act 1988, to grant relief.
- J.6 The Council will be reimbursed following the submission of outturn data in the National Non-Domestic Rates 3 (NNDR3) form for 2023/24. In addition, the Council is required to ensure that it is able to monitor and report the take up of the scheme at Parliamentary constituency level.

Who is eligible for the relief?

- J.7 In order to be eligible for Heat Network Relief, the hereditament must be:
- (a) wholly or mainly used for the purposes of a heat network; and
 - (b) the heat is, over the next 12 months, expected to be generated from a low carbon source (irrespective of whether that source is located on the hereditament or on a different hereditament).

- J.8 Government anticipates the test at (b) above being made based on a forecast at the commencement of the financial year. The Council is not required to revisit the forecast although it may undertake a review if thought necessary.
- J.9 For the purposes of this relief, a heat network is a facility, such as a district heating scheme, which supplies **thermal energy from a central source to consumers via a network of pipes for the purposes of space heating, space cooling or domestic hot water.**
- J.10 Hereditaments wholly or mainly providing heat for a different purpose (such as an industrial process) are not eligible.

Wholly or mainly

- J.11 The test for this relief should be applied to the hereditament as a **whole** and heat network relief is **not** available on part of a hereditament.
- J.12 Many small and medium scale heat networks, such as common heating systems in multi-occupied buildings or estates, do not give rise to a separate business rates liability. In these cases, the heat network forms part of the services of the properties which have a wider purpose (e.g., offices) and therefore would not be eligible for Heat Network Relief.
- J.13 It is expected that the networks eligible for the relief will be the larger facilities which have their own business rates assessment.

Thermal energy

- J.14 The test is on thermal energy. This means that the purposes of generating electricity does not count towards meeting the **wholly or mainly test** and, as a result, Government does not anticipate hereditaments comprising power stations and a heat recovery and network system to qualify.
- J.15 A hereditament comprising a Combined Heat and Power (CHP) facility where the generation of electricity at the hereditament was more significant than the generation and supply of heat would not qualify for the relief. However, if a heat recovery and network system taking heat from a power station was, for whatever reason, in a separate hereditament from the power station then it may still qualify subject to meeting the other tests of eligibility.
- J.16 Similar, considerations will apply where the heat is being taken from an incinerator or Energy from Waste (EfW) Plant. If the heat network forms part of the same hereditament as the incinerator or EfW plant then, unless it has been designed specifically as a heat network, it is unlikely to pass the wholly or mainly test (its primary purpose more likely being incineration of waste or generation of power). However, it may qualify (subject to the other tests of eligibility) if the heat network forms its own hereditament (i.e., if the heat is coming in from a different hereditament such as the case of a heat network which purchases heat from a separately assessed EfW plant).

The heat is generated from a low carbon source.

- J.17 A low carbon source is a source of which at least:
- (a) 50% is renewable as defined below;
 - (b) 50% is waste heat;
 - (c) 75% is cogeneration heat (where cogeneration' means the simultaneous generation in one process of thermal energy and electrical or mechanical energy); or
 - (d) 75% is a combination of the sources above.
- J.18 A renewable source is any of the sources listed in Class 1(e) of the Schedule to the Valuation for Rating (Plant and Machinery) (England) Regulations 2000 (SI 2000 No. 540) as inserted by regulation 2(b) of the Valuation for Rating (Plant and Machinery) (England) (Amendment) Regulations 2022.
- J.19 Waste heat includes heat unavoidably generated as a by-product of another process, which would be wasted if not used for the purposes of a district heating network. This may include heat generated through the incineration of waste.
- J.20 Combined Heat and Power (CHP) sources will qualify as sources of cogeneration heat including gas CHP. However, a hereditament comprising a CHP facility would still have to meet the first test of the relief – that the hereditament was **wholly or mainly** used for the purposes of a heat network (and not for example wholly or mainly for the purpose of generating and selling electricity).

How much relief will be available?

- J.21 Relief is available at 100% of the chargeable amount for the hereditament for any day on which the eligibility criteria are met. Therefore, for eligible hereditaments the rates liability will fall to nil from 1 April 2023.
- J.22 Heat Network relief is **not** available on only part of the hereditament. If the eligibility criteria are met for the hereditament as a whole then full relief will be applied even if, for example, the hereditament contains some plant (such as a back-up boiler) which may not in isolation meet the low carbon tests.
- J.23 Equally, a hereditament which overall does not meet the eligibility criteria cannot receive partial relief on an individual item of plant which in isolation may have passed the tests.
- J.24 The Heat Network Relief will be applied after mandatory reliefs but before any other discretionary reliefs.

Recalculations of relief

- J.25 The amount of Heat Network Relief awarded will be recalculated in the event of a change of circumstances. This may include, for example, a backdated change to the rateable value or to the hereditament.

- J.26 Under the Non-Domestic Rating (Discretionary Relief) Regulations 1989, the Council must give at least 12 months' notice of a revocation or variation of a rate relief scheme, the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year. But, within these regulations, the Council may still (and will) make decisions which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible, the Council will amend the rate liability to reflect the loss of the relief.
- J.27 In view of the above, when making an award for Heat Network Relief, the Council will ensure that the award will be subject to the property's continuing eligibility. If the use of the property changes so that it is no longer eligible, the relevant chargeable amount will be recalculated to reflect that fact.

Subsidy control

- J.28 The Heat Network relief is subject to the UK's domestic and international subsidy control obligations. Businesses eligible for relief will need to fulfil any requirements in place to ensure compliance with those obligations in advance of, during, and after claiming relief.

Effect on the Council's Finances

- J.29 As this is a Government led initiative, grants for the full amount awarded will be available through section 31 of the Local Government Act 2003.

Heat Network Relief - the Council's policy for granting discretionary relief.

- J.30 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

Appendix K

Section 49 - Hardship Relief

General explanation

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

Section 49 Hardship Relief – the Council's Policy

- K.2 The Council will consider applications for hardship relief from individuals and organisations based on their own merits on a case-by-case basis. The Lead Specialist – Service Delivery will consider applications. Application forms are available at the following links:

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

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

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



REPORT of DIRECTOR OF STRATEGY AND RESOURCES

to
COUNCIL
13 JULY 2023

APPOINTMENT TO COMMITTEES

1. PURPOSE OF THE REPORT

- 1.1 To appoint members to vacant Committee positions for the remainder of the municipal year

2. RECOMMENDATIONS

- (i) That the Council appoints a non-aligned member to the Overview and Scrutiny Committee for the Municipal Year 2023 / 24;
- (ii) That the Council confirms to establish Joint Standards Committee politically balanced as per the nominations set out in **APPENDIX A**;

OR alternatively

That the Council confirms the make-up of the eight seats on Joint Standards for the Municipal Year 2023 / 24;

- (iii) That two Members are appointed to Appointments Board, for the Municipal Year 2023 / 24, Political Group allocation to be advised by Programmes, Performance and Governance Manager;
- (iv) That Councillor N J Swindle is appointed to the vacant Liberal Democrat seat on the Licensing Committee for the Municipal Year 2023 / 24.

3. SUMMARY OF KEY ISSUES

- 3.1 At the Council meeting on 8 June 2023, Members did not appoint a member to the non-aligned allocation of the Overview and Scrutiny Committee due to absent members.
- 3.2 Council also deferred the appointment of District Councillors to the Joint Standards Committee as Councillor W Stamp raised a previous resolution to appoint this in a different way (not politically balanced). For Member reference, on 23 June 2020, the Council resolved that:
- (i) *That the Joint Standards Committee in its current form and all appointed councillors be disbanded;*
 - (ii) *That the Council waives political balance on the Joint Standards Committee in order to reconstitute it;*

(iii) *That the Joint Standards Committee will consist of:*

- *eight elected members*
- *2 Parish Council observers (no voting rights)*
- *the Independent Person (no voting rights).*

The eight members should reflect the balance of the membership of the Council; however, no group should have a majority on the Committee. All political groups (a group is defined as having three or more members and is recognised as a political entity) within the Council should have representation. Any substitutions must be made from the same political group.

(iv) *That the Chairman and Vice-Chairman of the Joint Standards Committee be appointed not from the same political group.*

- 3.3 It is the view of the Monitoring Officer that this arrangement stood only for the municipal year and committee seats were allocated in a politically balanced manner. A change in composition of political groups at Maldon District Council as of May 2023 also prioritises the national legislation on Political Groups and Committee seat allocations (that they need to be allocated in a politically balanced manner).
- 3.4 The Council is asked to appoint membership of the Joint Standards Committee, either approving as set out in **APPENDIX A**, or confirming a waive of political balance and member nominations for this municipal year. It should be noted that to exclude the political balance provisions would need to be voted on without a single opposing vote.
- 3.5 The Appointments Board is a politically balanced Committee but with designated seats for key positions. **APPENDIX A** shows the expected political allocation of seats, and once it is confirmed which Political Group the Opposition Leader is provided from, the Director for Strategy and Resources will advise the Political Groups that need to supply a Member for the final two seats.
- 3.6 Councillor J Driver has resigned his seat on the Licensing Committee, which leaves a Liberal Democrat seat vacancy. The Group has nominated Councillor N J Swindle to this position and the Council is requested to ratify this change.

4. CONCLUSION

- 4.1 The detail is provided in this report, so that Members can confirm appointments to Committees of the Council.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

5.1 Smarter finances

- 5.1.1 Appointing the Committees as listed, will help underpin good governance of the organisation.

5.2 Provide good quality services.

- 5.2.1 Appointing the Committees as listed, will help underpin good governance of the organisation.

6. IMPLICATIONS

- (i) **Impact on Customers** – None.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – Appointing the Committees as listed, will help underpin good governance of the organisation.
- (iv) **Impact on Resources (financial)** – None.
- (v) **Impact on Resources (human)** – None.

Background Papers: None.

Enquiries to: Cheryl Hughes, Programmes, Performance and Governance Manager

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Committees and Political Balance

JOINT STANDARDS COMMITTEE (8 plus 3 non-members):

Councillor nominations from:					
Conservative Group	District Support Group	Liberal Democrat Group	Maldon Independent Group	Non-Aligned	Non-Members
W J Laybourn M E Thompson L L Wiffen	M G Neall *	S J Burwood *	M G Bassenger *	One Member (Appointment of the Council) * PLUS one member from either District Support, Liberal Democrat, or Maldon Independent Groups	Independent Person – J Mitchell Two Parish / Town Councillors <ul style="list-style-type: none"> Peter Allen Davey Stephen Stratton

APPOINTMENTS BOARD (6):

Conservative Group	District Support Group	Liberal Democrat Group	Maldon Independent Group	Non-Aligned
2	1	1	1	1
Chairperson of the Strategy and Resources Committee			Leader of the Council	Chairperson of the Performance, Governance and Audit Committee
Councillors to be appointed following confirmation of all other Committee Membership, including Chairperson and Vice-Chairperson, taking into consideration the following.				
Appointments Board Membership: <ul style="list-style-type: none"> Leader of the Council (or Deputy) Opposition Leader (or Deputy) Chairperson (or Vice-Chairperson) of the Strategy and Resources Committee Chairperson (or Vice-Chairperson) of the Performance, Governance and Audit Committee PLUS two other named Members appointed by the Council (political balance provisions shall apply). 				

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REPORT of INTERIM CHIEF FINANCE OFFICER

to
COUNCIL
13 JULY 2023

LOCAL GOVERNMENT ASSOCIATION FINANCE PEER CHALLENGE

1. PURPOSE OF THE REPORT

- 1.1 To advise the Council of the outcome of the Local Government Association (LGA) Finance Peer Challenge undertaken from 27 February to 1 March 2023 and to seek the Council's agreement to the recommendations made in response to this.

2. RECOMMENDATIONS

- (i) that the contents of the Finance Peer Challenge report at **APPENDIX 1** be noted;
- (ii) that the Council's response to the six key recommendations (1-6) set out in the draft Finance Peer Challenge Action Plan at **APPENDIX 2** be approved;
- (iii) That subject to (ii) being approved to delegate approval of the Council's response to the other recommendations (7-36) set out in the draft Finance Peer Challenge Action Plan at **APPENDIX 2** to the Finance Member Group;
- (iv) That subject to (ii) being approved, to approve the revised Terms of Reference for the Finance Member Group set out at **APPENDIX 3**, as detailed in the response to recommendation 5 of the draft Finance Peer Challenge Action Plan at **APPENDIX 2**;
- (v) that subject to (ii) being approved, to approve the revised membership of the Finance Member Group, as detailed in the response to recommendation 5 of the draft Finance Peer Challenge Action Plan at **APPENDIX 2** and summarised at **APPENDIX 4**.

3. SUMMARY OF KEY ISSUES

- 3.1 The LGA Finance Peer Challenge was undertaken at the request of the Council. The initial findings of the Peer Challenge were reported back to Members via a presentation of the peer review team on 1 March 2023. The findings have now been finalised in the report at **APPENDIX 1**.
- 3.2 Peer challenges are improvement focused; not an inspection and are delivered by experienced elected member and officer peers. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

- 3.3 The team spent two and a half days onsite at the Council, during which they gathered information and views from more than 25 people including a range of Council staff together with Members and external stakeholders.
- 3.4 The peer team considered the following five themes which form the core components of all Finance Peer Challenges. These areas are critical to councils' performance and improvement.
- 1) Financial leadership;
 - 2) Financial strategy, planning and forecasting;
 - 3) Decision-making;
 - 4) Financial outcomes;
 - 5) Partnership & innovation.
- 3.5 In addition to these questions, the Council asked the peer team to provide;
- a critical friend to look at the Council's current budget setting process
 - a check that the strategic financial processes are robust
 - support in identifying solutions to the Council's financial challenges
- 3.6 The detailed outcomes of the Finance Peer Challenge are set out in the report at **APPENDIX 1**; with the six key recommendations of the peer team as follows:
- 1) Further develop the MTFs linking it to other strategies and plans including sensitivity analysis as soon as reasonably practical.
 - 2) Arrange a top team away day for officers and Members post-election to agree priorities and to ensure financial stability.
 - 3) Provide mentoring support to senior leaders – Members and officers.
 - 4) Clarification of roles for Members and officers.
 - 5) Establish a corporate finance board which will own the corporate plan and finance for authority.
 - 6) All staff and Members to acknowledge the urgency of the financial position. Urgent action to be taken to develop a realistic and robust plan to deliver the required efficiencies and savings to ensure ongoing financial sustainability.
- 3.7 The Council's draft response to these key recommendations, as well as the response to the broader findings are set out in an action plan at **APPENDIX 2**. It is recommended that the Council approves the response to the key recommendations 1-6 in the action plan, and delegates approval of the responses to the other recommendations to the Finance Member Group. It is proposed that the Finance Member Group will also be responsible for monitoring overall implementation of the action plan.
- 3.8 With regard to recommendation 5 of the report, it is proposed that the Council approves a revised Terms of Reference for the Finance Member Group, as set out at **APPENDIX 3** to fulfil the function of a Corporate Finance Board suggested by the Peer Challenge. The Finance Member Group would be responsible for overseeing the Medium Term Financial Strategy and Savings Strategy for the authority and making clear recommendations for approval by the Strategy and Resources Committee and that Council.

- 3.9 It is also proposed that the Council approves a revised membership of the Finance Member Group to be comprised of all Political Group Leaders plus the Chairperson and Vice-Chairperson of the Strategy and Resources Committee and the Performance, Governance and Audit Committee, to ensure a 'no silo' approach.

4. CONCLUSION

- 4.1 The Finance Peer Challenge report at **APPENDIX 1** sets out a number of recommendations for the Council to consider. The Council's draft response to these recommendations is set out in the Action Plan at **APPENDIX 2**. Agreement to the Action Plan, and monitoring of implementation of the actions via the Finance Member Group, will be important to strengthen the financial processes and practices of the Council. It should also improve overall outcomes for the Council, including delivery of a sustainable Medium Term Financial Strategy position as set out in the Corporate Plan objective of 'Smarter Finances'.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

5.1 Smarter finances

- 5.1.1 Agreement to the action plan, and monitoring of implementation of the actions via the Finance Member Group, will be important to strengthen the financial processes and practices of the Council. It should also improve overall outcomes for the Council, including delivery of a sustainable Medium Term Financial Strategy position as set out in the Corporate Plan objective of 'Smarter Finances'.

6. IMPLICATIONS

- (i) **Impact on Customers** – If the Council does not agree the draft Finance Peer Challenge Action Plan there is a risk that the council will not be compliant with financial management best practice and processes will be weakened, leading to poorer outcomes for the council and its residents
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – If the Council does not agree the draft Finance Peer Challenge Action Plan there is a risk that the council will not be compliant with financial management best practice and processes will be weakened, leading to poorer outcomes for the council and its residents.
- (iv) **Impact on Resources (financial)** – There may be a cost associated with implementing some of the recommendations set out in the Action Plan – these will seek to be contained within existing agreed budgets as far as possible.
- (v) **Impact on Resources (human)** – Additional resources will be required to implement some of the recommendations set out in the Action Plan – these will seek to be contained within existing agreed budgets as far as possible.

Background Papers: None.

Enquiries to: Naomi Lucas, Interim Chief Finance Officer.

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LGA Finance Peer Challenge

Maldon District Council

27 February – 1 March 2023

Feedback report



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1. Executive summary

Maldon District Council is a small district council in Essex. The district covers the Dengie peninsula in the south, as well as the Thurstable Hundred area to the north of the Blackwater Estuary. At the time of writing the report the council has 31 elected members and operates a committee system with a minority Conservative administration. The council has all out elections in May 2023 and the makeup may be different post elections.

The political makeup of the council at the time of the Peer Challenge was as follows;

- Conservative Group - 12
- Independent Group - 11
- Independent (Non-Aligned) - 5
- Conservative (Non-Aligned) - 2
- Liberal Democrats (Non-Aligned) – 1

The council's financial position is challenging and it is important that all members and officers acknowledge this and the urgency with which a realistic and robust plan to deliver the required efficiencies and savings needs to be developed to ensure the financial sustainability of the council. It was clear to the peer team that staff and members understood the headlines around the budget gap but there was a lack of clarity around how the gap was to be met and whose responsibility it was to deliver the savings and efficiencies. Maldon has a number of the building blocks in place to be confident about achieving the desired result but it must keep the urgent challenge and position at the forefront of decision making. It is also imperative that any new members elected in May are briefed on the challenges and any plans that are already in place and are clear on those that need to be developed.

The draft budget for 2023/24 was presented to the Strategy and Resources Committee on 26th January 2023. In 2023/24 high inflation increases the budget significantly, however the removal of previous one-off growth items, new identified

savings and a favourable provisional local government settlement for 2023/24, closes most of the funding gap. The 2023/24 net operating expenditure budget after adjusting for statutory adjustments, but before any non-service specific funding and use of reserves, totals £12.541m and is therefore £2.005m (19.0%) higher than 2022/23 (£10.536m).

The 2023/24 budget relies on a £2m contribution from earmarked reserves, which includes funding for some one-off expenses such as the Local Development Plan Review, and a £0.421m contribution from General Fund Balances. The report acknowledges that this is not sustainable.

A Medium Term Financial Strategy (MTFS) is in place but needs further development in terms of income from projected growth, sensitivity analysis, and associated risks. Once the level of the financial gap is clear plans need to be developed to address the budget gap and associated risks fully understood. The Council's approved MTFS leads to the conclusion that unless action is taken immediately to identify savings the Council will run out of general balances in 2025/26.

The peer team found a slight disconnect between Finance and Strategy at the council with various work being carried out in isolation. Work was needed to join up existing strategies and policies. For the policies and strategies to be successfully utilised there is a need for alignment, buy in and ownership from across the council. Strategy and Finance need to be working together to tackle the budget gap and to enable the delivery of the council's objectives and priorities.

A detailed communications plan (internal and external) to support development and delivery of the savings plan and overall financial position is a key next step for the council. This will help to solidify the urgent financial challenge that the council is facing for staff, new members and for residents when they are consulted on priorities later this summer. This is another example of where the council can align its strategies and resources and work together to support effective decision making.

The peer team noted that the Director of Resources is well respected by senior officers and members. Both staff and members were keen to share how much they valued the Director of Resources and the changes that he had brought to the organisation. The partnership between the Directors was seen as working well, with consistent messaging across the council and examples of providing appropriate

challenge to each other. There was some evidence of confusion around accountability and transparency on how decisions were made and who was ultimately responsible for ownership of key strategies and policies. Corporate Leadership Team (CLT) need to consider how this can be addressed urgently and provide some reassurance and clarity to staff and members.

The peer team found that staff were committed to the council and the district and open to change to ensure that the objectives and vision for the council were delivered and efficiencies were made. The council needs to harness this commitment and work with staff on the challenging decisions that may lay head in terms of scoping options for saving and efficiencies, ensuring that they are empowered and fully understand where the council needs to be to deliver successfully for the district.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

- 2.1. Further develop the MTFS linking it to other strategies and plans including sensitivity analysis as soon as reasonably practical.**
- 2.2. Arrange a Top team away day for officers and members post-election to agree priorities and to ensure financial stability**
- 2.3. Provide mentoring support to senior leaders – members and officers**
- 2.4. Clarification of roles for members and officers**
- 2.5. Establish a corporate finance board which will own the corporate plan and finance for authority**
- 2.6. All staff and members to acknowledge the urgency of the financial position. Urgent action to be taken to develop a realistic and robust plan to deliver the required efficiencies and savings to ensure ongoing financial sustainability**

3. Summary of the peer challenge approach

3.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Dawn Garton, Director for Corporate Services, Melton Borough Council
- Councillor Sam Chapman-Allen, Leader of Breckland Council
- Shannon Coleman-Slaughter, Head of Finance and Property, West Berkshire Council
- Ami Beeton, Peer Challenge Manager, LGA

3.2. Scope and focus

The peer team considered the following five themes which form the core components of all Finance Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Financial leadership**
2. **Financial strategy, planning & forecasting**
3. **Decision-making**
4. **Financial outcomes**
5. **Partnership & innovation**

In addition to these questions, the council asked the peer team to provide;

- **A critical friend to look at the council's current budget setting process**
- **A check that the strategic financial processes are robust**

Plus

- **Support in identifying solutions to the council's financial challenges – This was picked up by Andrew Hardingham, Finance Associate**

The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent two and a half days onsite at Maldon District Council, during which they:

- Gathered information and views from more than 25 meetings, in addition to further research and reading.
- Spoke to more than 25 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1. Financial Leadership

The peer team heard from both officers and members about the improvements that the Director of Resources had made since he had been in his role at the council. It was clear that he was valued and respected throughout the organisation and was visible and approachable. There was a recognition from senior officers and members that there were still large steps to be taken and that the improvement journey was nowhere near over. The significance and the scale of the financial situation meant that the pace of improvement needed to be sustained to ensure the council was in a sustainable position going forward. In the short term pressing work is needed to be carried out to fully understand the financial viability of the council and the current and

future cost pressures and associated risks.

The Council has a three-year Medium Term Financial Strategy (MTFS) covering the period up to 2025/26. Net expenditure is projected to increase from a budgeted £8.6m in 2022/23 to £13.5m by 2025/26 – a 56% rise.

The strategy discusses the impact of demography, inflation, external income, business rate retention, the possible impact of the fair funding review and service demand.

The council needs to build on existing financial strategies, developing them further in line with other corporate strategies and then communicating and implementing them with staff, members and stakeholders. The peer team found evidence of strategies and policies in place that were not joined up or followed and therefore lacked the impetus needed to be fully understood and effective and ensure financial stability.

In terms of the MTFS, this needed to be further developed to include projected income from growth such as council tax and business rates, associated risks, a clear communication plan and linked to the commercial strategy. Key projections would benefit from sensitivity analysis with modelling against a worst, middle and best case scenario to understand the implications more fully. This should also be applied to funding assumptions in light of recent finance settlements including funding guarantees, suggesting future losses from New Homes Bonus for example might be mitigated going forward.

The peer team found that majority of staff and members spoken to were aware of the council's financial position and recognised that there were challenges ahead, however not always the urgency or scale of these challenges. There was a recognition that the briefings from CLT had played a part in understanding the challenge for staff and the feedback for CLT connect, which was the briefing from CLT to all staff, was positive. The peer team heard that the three directors were consistent in their messaging and appeared on the same page for key issues. The part that seemed less clear for staff and members was how the budget gap was to be addressed and who was taking responsibility for this. The peer team felt that a detailed communications plan, both internal and external, would go some way to address this and support development of the savings plan and overall financial position. It would also ensure a consistent message and understanding from all about

the urgency of the council's financial situation.

The peer team found an over reliance on the Director of Resources across the organisation e.g., he was the main liaison for the budget holders and anything else finance related. This was potentially due to the structure of the wider finance team which the peer team thought lacked capacity and skills in certain areas and therefore resilience and instead relied on key individuals to deliver on all levels. This has caused issues for the council at critical points, for example with producing the statement of accounts and supporting the audit process.

The Director of Resources needs to have enough capacity to focus on the strategic issues rather than being the 'go to' for anything finance related. Greater clarity of roles and responsibilities and more expansive delegation from members to building in efficiencies would go some way to help with this as well as considering the structure, capacity and technical skills within the finance team. Some salaries were lower than other councils and staff progression was felt to be limited. A review of salaries, training and opportunities within the finance team needed to be included alongside an assessment of the delegations, capacity and skills that the council needed going forward.

It was clear that some budget holders did not have an understanding or knowledge of day to day transactions that supported the financial information, this isn't an acceptable culture however they did have good connections with those in their team that did. The peer team felt that financial / budget training would be beneficial for both those with budget responsibility and those operating within the services who were managing the day to day details. Budgets are also not risk assessed meaning all budgets are monitored on the same frequency. Risk assessing the budgets would enable focus to be placed on those at higher risk of variation and time spent on those of lower risk to be reduced accordingly. It was also felt members would benefit from finance and governance training. The peer team suggest that this take place after the elections in May so that new and existing members could benefit as part of a wider Member Development Plan. Planning was underway for onboarding members after the May 2023 elections and it was recommended by the peer team that a session on financial governance be offered to all members as part of this wider corporate offer.

In light of the financial situation and potential change in political makeup of the

council following the May elections, the peer team suggest that the council hold a 'Top Team' away day for officers and members after the elections. This would provide an opportunity to agree priorities with a focus on financial stability and would allow ownership and accountability from existing and potential new elected members of the council.

4.2. Financial strategy, planning & forecasting

The council's Corporate Plan covering 2023 – 2027 has been adopted and well received by members. This was seen as an important step by the council as where there had been a disconnect previously it was seen as evidence of strategy and delivery working closely together. However whilst the Corporate Plan sets out the principles of future working and will be used to prioritise and allocate resources it doesn't identify how the budget gap will be filled.

It was noted that officers who had worked on this had been thanked for the hard work involved and quick turnaround which they completed within 9 days. The concern with the approach taken was the potential lack of understanding and buy in from staff and members. The peer team suggest that some further work needs to be carried out quickly to ensure that stakeholders fully understand the corporate plan and the vision for the district, key priorities and how they will be delivered.

It was felt that budget planning with members needed to start earlier to allow sufficient time for challenge and understanding. The peer team heard from some members that the budget briefings had been well attended and members had felt that they had been able to challenge and ask questions. The Finance working group had been set up to support the process, feeding into Strategy & Resources and then to Council with any recommendations. However the working group had not been able to make any recommendations and this hadn't supported the work to close the budget gap and make decisions. The peer team felt that training and development would help members understand their roles and responsibility and empower them to make recommendations in future. A recommendation from the peer team to strengthen this process was to establish a Corporate Finance Board that would include senior officers to own the corporate plan and finance plans for the authority, make clear

decisions. The Board would be made up of all group leaders and include the Chairs of the Strategy & Resources Committee and the Performance, Governance & Audit Committee, ensuring a no silo approach. The chair of this board would then act as a champion of financial and strategy matters. Members of the peer team agreed to share the terms of reference from similar entities in their own authorities.

As referenced earlier in the report the MTFS needs to be developed and built on further to ensure that it is robust and sound. It is important that there are clear links and alignment between the MTFS and the corporate plan and other key strategic strategies and policies, linking policy, strategy, investment and risk. The council needs to be able to demonstrate that priorities have been set with the level of resources available. The peer team enquired about public consultation and were advised that residents were to be consulted on priorities during Summer 2023 which would help the council to consider the level of services needed and which could be achieved.

The peer team were pleased to see that the council had several key strategies in place such as the commercial strategy and delivery plan. However not all strategies were aligned, cohesive or followed. Support from the communications team in terms of a strategic narrative for the council would help to tighten and align the policies and strategies that were in place. Below are some suggestions for next steps for some of those strategies.

Capital Strategy – further development of the capital strategy is needed with a longer term focus. To provide maximum benefit it should be supported and underpinned by the asset management plan, stock condition surveys and the commercial strategy. It is understood plans are in place to support this with the appointment of a new Asset Manager.

Asset Management plan – further development of the asset management plan to include a review of assets held their usage and required funding and outcomes

Procurement strategy – further development needed on this. Procurement was seen as lacking resilience and depth and collaboration opportunities needed to be explored for upcoming contracts.

Once the key strategies and plans are developed and aligned it is important that they are fully understood and used as a framework by members and officers when proposing and making decisions. For example, the decision to hold planning meetings in Burnham did not meet the council's approach to efficiencies and reducing costs which members had agreed and signed up too. It is important to ensure reports state risks etc.

The peer team found a disconnect between the Strategy and Finance teams at the council and believe that if they worked together, they could form a joint approach to managing the identified budget gap and an associated communications plan. By working together it would strengthen the approach for the gap to be owned by the whole council rather than it being perceived as the responsibility of the Finance team.

4.3. Decision making

Whilst it was clear that many officers and members are aware of the financial challenges that the council was facing, the peer team found some confusion and uncertainty over several issues related to decision making, accountability and transparency. The messages from CLT and the awareness demonstrated by non-financial managers was reassuring, however some key themes surfaced throughout the time the peer team spent on site.

There was recognition that the financial situation, as faced by many councils, is complex and therefore needs to be simplified for officers and members to fully understand the extent of the situation and the solutions. There appears to be a lack of clarity and certainty within the council as to who was accountable for the budget gap and the steps that were being taken to address it and this need addressing. Members noted that the budget briefings that they had received were informative. The next step for the council would be to assess whether the right level of detail was being provided to members to support decisions. The peer team recommend that the Scrutiny Committee is more involved in the budget process to provide an appropriate level of challenge and rigour.

The peer team considered the councils governance arrangements and thought that a

review of constitution and committees would provide an opportunity to simplify, streamline and make the decision-making process more accessible. The peer team thought the current process was being hindered in some cases by a lack of understanding and clarity and as a result strategy was not driving decision making at the council. The Corporate Plan sets out the vision for the council, outlining the corporate priorities which link to the budget setting process, growth and savings bids. As referenced earlier, the council has a number of plans and strategies in place that are not always used or followed. It appeared to the peer team that some members would want to take decisions that would impact their ward or interest rather than taking a strategic approach and considering the whole of the district. This appeared to come down to culture, confusion and politics. The council needed to tighten this process and ensure that members are working together to deliver on the agreed objectives and using the strategies in place to guide decision making which in turn would provide greater transparency and clarity and deliver a balanced budget.

To support the governance process further and make things more efficient, the council should consider expanding the scheme of delegation. If agreed strategies and policies are in place, then officers should be able to operate within these boundaries to deliver on agreed objectives without having to consult members on issues that are clearly laid out in an approved framework. Members need to trust officers to use the frameworks including for financial decisions, but officers who hold budget need appropriate training.

The peer team found that there was limited financial data in some areas to support decision making, including benchmarking and capabilities of the current finance system. This needed to be reviewed and considered to aid the decision-making process and support the council when looking to meet the budget gap that they are facing.

The peer team did find evidence of a project management framework but that further work needed to be done to embed the approach across the council and utilise it to support and track delivery. The role of finance within this process needed to be clearer and adds to the recommendation that strategy and finance need to work closer together.

Finally, the council should consider appointing an independent person to the Performance, Governance and Audit Committee. This could provide the council with additional skills and support the Performance, Governance and Audit committee in carrying out their role. It was noted by the peer team that at some point it would be a requirement to have an independent member on the Performance, Governance and Audit Committee and the council should want to take the opportunity of additional skills sooner rather than later. It would also be welcomed by the chair of the Performance, Governance and Audit committee.

4.4. Financial outcomes

The peer team heard that the capital programme had been underspent for the past 2 years. At the start of 2022/23 the council had capital reserves totalling £2.0m. £0.9m is scheduled to be used to support the 2022/23 capital programme, which will leave £1.1m to support future programmes for 2023/24 and beyond. There are no revenue implications for the proposed future capital programme for 2023/24 so any revenue implications beyond that will need to be built in. The council noted that there had been a resource issue in terms of the capital programme and that this key post had now been filled.

The council's commercial strategy appeared to be on track but it was still early days. Greater alignment with the new Corporate Plan and MTFS would strengthen its position. It was noted that the Performance, Governance and Audit Committee received an update on commercial outcome and active projects via the Corporate Performance update but these do not help inform decisions.

The peer team found evidence of performance management, and corporate project outcomes at the council although questioned the visibility, connectedness and how embedded they were within the council's processes and ways of working.

The Performance, Governance and Audit Committee is supported by an internal audit service run under contract by BDO LLP. The Committee reviews Corporate Performance, Risk Management, Health and Safety and progress against the Annual Governance Statements on a quarterly basis. The Committee is currently chaired by

a non-aligned councillor with a Conservative vice-Chairman. As mentioned earlier in the report there are no independent expert members of the Committee. BDO concluded that they were able to provide moderate assurance that there is a sound system of internal control, designed to meet the Council's objectives and that controls are being applied consistently. Whilst the Performance, Governance and Audit committee is working well there has been no independently reviewed self-assessment of the Performance, Governance and Audit Committee recently. This needs to happen every 5 years and is something the council has to consider organising soonest to provide extra reassurance. Again bench marking against other councils would help Maldon District Council to have a better sense of their performance and capability. It is an opportunity to learn and to share learning.

The Financial Accounts remain open from 20/21 and beyond and it was acknowledged that this was a national issue and beyond the control of the council. However due to the small size of the finance team it is a challenge to complete the Statement of Accounts in line with the deadline and to the required standard. The almost constant state of audit caused by the national position is adding to the burden on the already stretched resources. It was noted that the audit of Council accounts had commenced in January 2022 and had aimed originally for completion in April 2022. An accountancy issue had been raised around infrastructure assets and changes to accountancy guidance were due to be issued to address this therefore auditors needed to wait for this to be introduced. The last meeting Committee attended by Deloitte appears to have been in July 2021 when they presented plans for the 2020/21 external audit. The Council has published its unaudited accounts for both 2020/21 and 2021/22 by the deadline, however the audits remain ongoing.

4.5. Partnership & Innovation

The peer team notes that a transformation programme was carried out by the council and was completed in 2018 which resulted in the council becoming quite lean. Subsequent savings and efficiency programmes had meant that many services felt 'cut to the bone' and members were cautious of more transformation, seeing it as cutting already depleted services.

The peer team understood that there was a commercial team in place at the council who were looking at opportunities and had put in place appropriate plans for delivery of the commercial strategy but as mentioned earlier in the report it was not synonymous with the MTFS or embedded across the council. Further work needed to be carried out on this to ensure that the opportunities were understood and supported across the council and the contributions that might be made towards the budget gap.

The peer team heard that the council were answering 89% of queries that they received online which was seen as a great achievement. The council also offered face to face services for those that were not able to access the online service. There was an opportunity for the council to share its learning with others who were looking to increase their digital offer and uptake and also to make further savings from this achievement through streamlining face to face and telephony support

The council was working closely with the County Council in terms of a literary festival with a number of events taking place in Maldon. The peer team also heard that the Director of Strategy attended regular meetings with other council chief executives across the county and was looking for other opportunities for partnership working.

The peer team felt that the council needed to quickly take stock of all the opportunities that it had and come up with a succinct and clear plan on what they want a future transformation programme / savings strategy to be. The financial situation of the council was urgent, and some thought out options needed to be discussed and shared with members post elections in May. The peer team heard about some different options that the council had started considering and also suggested other actions that the council could consider under the new Corporate Finance Board.

- **Shared Services** – It was noted that the Director of Strategy has started looking at Shared Services and was in the process of identifying potential opportunities. An investigation into the feasibility of the different shared services needed to be carried out so relationships could be developed, and options explored further. The council needed to establish some clarity on whether it was looking for savings or to provide resilience and be realistic

about what each opportunity could provide.

- Consider empowering Parish and Town Councils to take on more responsibility for example delegating appropriate powers, including asset transfers e.g. parks and toilets.
- Carry out a review of grant payments and outcomes to partners. It was imperative that the grant payments linked to the Corporate Objectives and that the right and proportionate outcomes were linked to these payments.
- Does the council need to revisit what it is doing around health integration. Was there an opportunity here for greater partnership working through ICP/ICB and health funding
- What opportunities did the council have linked to its asset holdings. Had this been explored?
- Review the council's contracts to see if there were any opportunities to create efficiencies or savings or join with other councils where contracts were due to be relet.
- Review of section 106 money to see if it is currently supporting innovation and if not, what scope could there be going forward to support innovation and the council's capital activity.
- Use of the council building – was there greater scope to share with partners?

4.6. Additional asks posed by Maldon District Council

- A critical friend to look at the council's current budget setting process
- A check that the strategic financial processes are robust
- Support in identifying solutions to the council's financial challenges – these will be addressed by Andrew Hardingham in a separate paper.

Budget setting process

The peer team looked at the current budget setting processes and made the following observations

- The council tended to have a system of historic budget rolling over, meaning that all previous items were included again for the current year, some of which would have been non-recurring. A review of this should be carried out to ensure the budget was based on actual need and priorities for the current year and past items that were no longer needed were not included.
- The budget setting process should be developed to enable greater budget manager ownership. Currently there was a lack of ownership and clarity on budgets.
- The level and depth of budget monitoring should be linked to a risk assessment of budgets so resources are targeted in the right area. High risks or more complex budgets should be supported by the underlying data that drives costs/income.
- A clear transparent process on the rationale and prioritisation of growth bids was needed. Some staff were unclear about how decisions were made and the prioritisation process between some statutory and discretionary growth bids.
- As mentioned earlier in the report, a Corporate Finance board should be established whose focus is on the budget to give greater focus and accountability to delivering on services, project and programmes and managing the budget gap.

- The council needed to have a conversation, potentially as part of the top team away day, to discuss what type of council they wanted to be and what service standards were appropriate for the district and within the budget constraints that were being faced.

A check that the strategic financial processes are robust

- The peer team felt that the council needed to have enough capacity to enable training and continuing professional development for the finance team. This would not only support the team having the right amount of different financial and technical skills but also demonstrate investment in staff which was important when promotion and increasing salaries was not always an option.
- It was important that finance training was available for budget holders and other staff so that they could understand the financial processes within the council, the financial challenges and context and their role in supporting and providing a solution.
- The peer team found a lack of understanding from some members around the financial processes and responsibility that they had within their roles. Continuous training of Members with options of refreshers was important so that members were able to make the best decisions for the council. It was clear that some work needed to be carried to ensure that any new members and existing members were supported and confident in their roles. This included training for chairs as well as understanding financial governance.
- The peer team recommended that mentoring be offered to senior officers and members within the council to ensure that they felt supported, had an opportunity to test and challenge their ideas and decisions for the future.

- A further review against the CIPFA Financial Management Code, at a more granular level, and against the guidance notes that were published after the original code would help identify where further improvements could be made. An action plan could be produced and reviewed by the appropriate committee to maintain any oversight of required actions.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge and further support can be discussed.

In the meantime, Gary Hughes, Principal Adviser for EE, is the main contact between your authority and the Local Government Association. Gary Hughes is available to discuss any further support the council requires. gary.hughes@local.gov.uk.

Key Peer Review Recommendation	Response / Action	Owner	Target Date for Implementation
1. Further develop the MTFS linking it to other strategies and plans including sensitivity analysis as soon as reasonably practical	Agreed. MTFS will be updated with refreshed assumptions and further sensitivity analysis will be carried out.	CFO	July 2023
	Links to the commercial strategy and other strategies e.g. capital strategy and asset management strategy (under development) will be made more explicit.	CFO	Autumn 2023
2. Arrange a Top team away day for officers and members post-election to agree priorities and to ensure financial stability	Agreed to be held in August– to be facilitated by LGA	CLT	August 2023
3. Provide mentoring support to senior leaders – members and officers	Leader of the Council will have assigned mentor via LGA	CLT	Autumn 2023
	Wider Member mentoring opportunities to be discussed with Member Training and Development group – LGA support package available if required Officer coaching will be offered to Assistant Directors and Head of Service as a focussed learning and development approach Officer mentoring may be an option later in the financial year, recognising that coaching will be the focus in the more immediate term, and ensuring the appropriate focus can be given to mentoring once the coaching programme is concluded.		Autumn 2023

Key Peer Review Recommendation	Response / Action	Owner	Target Date for Implementation
4. Clarification of roles for members and officers	See response to Action 12	CLT	Autumn 2023
	<p>Finance training will be offered to Members to ensure they understand their roles and responsibilities with regards to the budget process:</p> <ul style="list-style-type: none"> • <i>Officer led Member finance training planned in Sep/Oct, subject to the Member Training and Development group agreement</i> • <i>Consideration to also be given to LGA external finance training offer for Members</i> 	CFO	Autumn 2023
	S151 to consider the structure, capacity and technical skills within the finance team going forward, as part of the review of Strategy, Governance and Resources directorate later in the year, so that S151 can delegate appropriately within the team	CFO	December 2023
5. Establish a corporate finance board which will own the corporate plan and finance for authority	<p>The Council already has a Finance Member Working Group which is able to make recommendations to Strategy and Resources Committee and this group should be driving decisions around the Corporate Plan and Savings Strategy to be made by that Committee.</p> <p>It is proposed that the Finance Member Working Group is renamed to the 'Finance Member Group'</p> <p>It is proposed to update the Terms of Reference for this group to ensure its remit is clear and reflects its responsibilities to steer the Corporate Plan and Savings Strategy, as set out at Appendix 3 to the Council report</p>	CLT/Full Council	Autumn 2023

Key Peer Review Recommendation	Response / Action	Owner	Target Date for Implementation
	<p>The membership of the group is also proposed to be altered to reflect the Peer Review recommendations, as set out at Appendix 4 to the Council report</p> <p>Further training and support will be considered for members of this group to ensure they are clear on their role</p>		
6. All staff and members to acknowledge the urgency of the financial position. Urgent action to be taken to develop a realistic and robust plan to deliver the required efficiencies and savings to ensure ongoing financial sustainability	<p>A Savings Strategy will be developed, led by the Finance Member Group to inform the MTFS</p> <p>The work to be develop this plan will be undertaken urgently, so that choices can be presented to the Strategy and Resources Committee to consider ahead of budget setting</p> <p>This will be communicated to officers and members to ensure they are aware of the urgency of the financial position and the decisions that are taken</p>	CLT/CFO	<p>Autumn 2023</p> <p>Ongoing</p>
Other Peer Review Recommendations			
4.1 Financial Leadership			
7. A detailed communications plan, both internal and external to support development of the savings plan and overall financial position	<p>Communications plan to be drafted setting out how the rest of the organisation understand the urgency of the financial situation and how they can help input into/ shape the savings strategy</p>	GB/CFO	<p>To be developed following 'top team' away day and then throughout year</p>

Key Peer Review Recommendation	Response / Action	Owner	Target Date for Implementation
8. Financial / budget training for both those with budget responsibility and those operating within the services who were managing the day to day details.	Budget training refresh for officers to be rolled out across the Council	CFO	Autumn 2023
9. Risk assessing the budgets to enable focus to be placed on those at higher risk of variation and time spent on those of lower risk to be reduced accordingly.	This already happens informally, with greater resource targeted at high risk areas. However the finance team to consider formally RAG rating budgets in conjunction with budget holders and adjusting frequency/extent of monitoring to reflect this	CFO	Autumn 2023
4.2 Financial strategy, planning & forecasting			
10. Further work needs to be carried out quickly to ensure that stakeholders fully understand the corporate plan and the vision for the district, key priorities and how they will be delivered.	<p>All strategic delivery partners and Leaders and Chief Execs have received the Corporate Plan. It has been shared with the Parish and Town councils Engagement Forum and One Maldon District. Members received an online and an in person presentation of the Corporate Plan. It was also presented by ELT and CLT to all Staff at the March CLT Connects meeting.</p> <p>The Council has also carried out a series of Staff Corporate Plan Priority Parties, these were well received and helped staff set SMART objectives setting out how they deliver the priorities in the Corporate Plan.</p> <p>Reporting from Quarter 2 will link back to and refer to the priorities in the Corporate Plan. All Service Managers now have Service Plans and produce Monthly highlight reports that show how the corporate</p>	GB	Autumn 2023

Key Peer Review Recommendation	Response / Action	Owner	Target Date for Implementation
	plan is being delivered. Further communications will be delivered via the newly appointed Leader, in the coming months, via media articles and social media.		
4.3 Decision making			
11. The peer team recommend that the Scrutiny Committee is more involved in the budget process to provide an appropriate level of challenge and rigour.	<p>Scrutiny and challenge of MTFS proposals should be undertaken by the Strategy and Resources Committee under MDC's constitution</p> <p>Overview and Scrutiny could review previous budgetary decisions made by S&R, and feed this back to inform future work on the MTFS</p>	CFO	Autumn 2023
12. The peer team considered the councils governance arrangements and thought that a review of constitution and committees would provide an opportunity to simplify, streamline and make the decision-making process more accessible.	<p>If the Council agrees, this work could be instructed to the PGA working group for review and report back to PGA Committee.</p> <p>Rather than a Constitutional update this could also be addressed short term by mapping the decision making process. This could be activity covered by O&S Committee that does not overlap with S&R Committee</p>	CH	<p>Dec 23 if full review required</p> <p>Nov 23</p>
13. Limited financial data in some areas to support decision making, including benchmarking and capabilities of the current finance system needs to be reviewed and considered to aid the decision-making process	<p>Benchmarking data to be considered, where available, as part of budget setting for 2024/25</p> <p>Review of current finance system to be considered but noting this will involve significant human and financial resources to change.</p>	<p>Budget holders in conjunction with finance</p> <p>CFO</p>	

Key Peer Review Recommendation	Response / Action	Owner	Target Date for Implementation
14. The peer team did find evidence of a project management framework but that further work needed to be done to embed the approach across the council and utilise it to support and track delivery. The role of finance within this process needed to be clearer and adds to the recommendation that strategy and finance need to work closer together.	<p>Finance are involved at project sign off stage (CLT board) and project review stage (ELT board)</p> <p>However, many of our projects could be more robust around costs and the officers need to challenge more in these boards.</p> <p>The Council has a 'lessons learned' log that can be reported to help target further review and challenge.</p>	CH/CFO	Sep 2023
15. The council should consider appointing an independent person to the Performance, Governance and Audit Committee	Agreed in principle, will need a report to PGA Committee and recommendation for agreement at Full Council	CFO/CH	End of financial year
4.4 Financial outcomes			
16. Whilst the Performance, Governance and Audit committee is working well there has been no independently reviewed self-assessment of the Performance, Governance and Audit Committee recently. This needs to happen every 5 years and is something the council has to	Whilst there is no statutory requirement to carry out an independent self-assessment it is accepted that it is best practice to carry this at regular intervals. Given the PGA Committee has only recently been appointed following the elections in May 2023, it is felt a self-assessment would best be carried out during 2024/25 once Members have been inducted and understand their role within the Committee more fully.	CFO	End of 2024/25

Key Peer Review Recommendation	Response / Action	Owner	Target Date for Implementation
consider organising soonest to provide extra reassurance.			
4.5 Partnership & Innovation			
17. Further work needed to be carried out the commercial strategy to ensure that opportunities are understood and supported across the council and the contributions that might be made towards the budget gap.	To be considered by the Finance Member Group as part of the Savings Strategy and recommendations made as appropriate to Strategy & Resources Committee.	CFO	Autumn 2023
18. Shared Services – an investigation into the feasibility of the different shared services needed to be carried out so relationships could be developed, and options explored further. The council needed to establish some clarity on whether it was looking for savings or to provide resilience and be realistic about what each opportunity could provide.	To be considered by the Finance Member Group as part of the Savings Strategy and recommendations made as appropriate to Strategy & Resources Committee.	CLT	December 2023

Key Peer Review Recommendation	Response / Action	Owner	Target Date for Implementation
19. Consider empowering Parish and Town Councils to take on more responsibility for example delegating appropriate powers, including asset transfers e.g. parks and toilets.	To be considered by the Finance Member Group as part of the Savings Strategy and recommendations made as appropriate to Strategy & Resources Committee.	Finance Member Group	December 2023
20. Carry out a review of grant payments and outcomes to partners - imperative that the grant payments link to the Corporate Objectives and that the right and proportionate outcomes are linked to these payments.	To be considered by the Finance Member Group as part of the Savings Strategy and recommendations made as appropriate to Strategy & Resources Committee.	Finance Member Group	December 2023
21. Revisit if there is an opportunity for greater partnership working through ICP/ICB and health funding	To be considered by the Finance Member Group as part of the Savings Strategy and recommendations made as appropriate to Strategy & Resources Committee.	Finance Member Group	December 2023
22. Explore opportunities linked to its asset holdings.	To be considered within the Commercial and Asset Management Strategies	Head of Assets, Coast and Countryside	End of financial year
23. Review the council's contracts to see if there are any opportunities to create efficiencies or savings or join with other councils where contracts were due to be relet.	Procurement to review in conjunction with Services and recommend to the Finance Member Group any opportunities for consideration	Lead Specialist Procurement	

Key Peer Review Recommendation	Response / Action	Owner	Target Date for Implementation
24. Review of section 106 money to see if it is currently supporting innovation and if not, what scope could there be going forward to support innovation and the council's capital activity.	Section 106 project manager to be appointed (subject to S&R approval) to lead on this work	Head of Assets, Coast and Countryside	Autumn 2023
25. Explore use of the council building – is there greater scope to share with partners	To be considered within the Commercial and Asset Management Strategies	CLT	End of financial year
Budget setting process			
26. A review should be carried out to ensure the budget is based on actual need and priorities for the current year and past items that are no longer needed were not included.	Line by line review of existing budgets to be carried out by budget holders in conjunction with finance ahead of 2024/25 budget setting	CFO	Autumn 2023
27. The budget setting process should be developed to enable greater budget manager ownership.	See response to action 8 and action 26		
28. The level and depth of budget monitoring should be linked to a risk assessment of budgets so resources are targeted in the right area.	See response to action 9		

Key Peer Review Recommendation	Response / Action	Owner	Target Date for Implementation
29. A clear transparent process on the rationale and prioritisation of growth bids is needed.	Growth to only be considered in exceptional circumstances e.g. unavoidable pressures	CLT	Autumn 2023
30. A Corporate Finance board should be established whose focus is on the budget to give greater focus and accountability to delivering on services, project and programmes and managing the budget gap.	See response to action 5		
31. The council needs to have a conversation, potentially as part of the top team away day, to discuss what type of council they wanted to be and what service standards were appropriate for the district and within the budget constraints that were being faced	See response to action 2		
A check that the strategic financial processes are robust			
32. Enough capacity to enable training and continuing professional development for the finance team.	See response to action 4		

Key Peer Review Recommendation	Response / Action	Owner	Target Date for Implementation
33. Finance training available for budget holders and other staff so that they could understand the financial processes within the council, the financial challenges and context and their role in supporting and providing a solution.	See response to action 8		
34. work needed to be carried to ensure that any new members and existing members were supported and confident in their roles. This included training for chairs as well as understanding financial governance.	See response to action 4		
35. mentoring be offered to senior officers and members within the council to ensure that they felt supported, had an opportunity to test and challenge their ideas and decisions for the future.	See response to action 3		
36. A self-assessment against the CIPFA Financial Management code would help identify areas where further improvements could be made	An initial review of compliance against the code was carried out by BDO in 2020. A follow up review needs to be completed during 2023 to identify where further improvements could be made	CFO	End of financial year

KEY:

CFO Chief Finance Officer
CH Programmes, Performance and Governance Manager
CIPFA The Chartered Institute of Public Finance and Accountancy
CLT Corporate Leadership Team
ELT Extended Leadership Team
GB Strategy, Policy and Communications Manager
LGA Local Government Association
MDC Maldon District Council
MTFS Medium Term Financial Strategy
O&S Overview and Scrutiny
PGA Performance, Governance and Audit
RAG Responsible Authorities Group
S151 Section 151
SMART Strategic, Measurable, Achievable, Relevant, Timely
S&R Strategy and Resources

Finance Member Group Terms of Reference

1. Existing Terms of Reference for the Finance Member Working Group

To have overview and input into the following areas:

- Medium Term Financial Strategy
- Growth Bids
- Income Generation and Savings Proposals
- Activity & Service Budgets
- Future Pandemic Financial Assumptions

2. Proposed Terms of Reference for the Finance Member Group

Membership:

The Group will be comprised of eight members consisting of the Political Group Leaders plus the Chairperson and Vice-Chairperson of the Strategy & Resources Committee and Performance, Governance & Audit Committees.

The Group will be chaired by the Chairperson of the Strategy and Resources Committee.

Purpose of the group:

'To take responsibility for the overall Medium Term Financial Strategy for the Council to be agreed by the Strategy and Resources Committee and/or the Council as appropriate;

AND

'To make clear recommendations on a proposed Savings Strategy for the Council to the Strategy and Resources Committee and/or the Council as appropriate.

Remit of the group:

- To act as a champion of best practice for financial and strategy matters across the Council
- To have oversight of, and input into, the Medium Term Financial Strategy (MTFS) process
- To ensure the alignment of the MTFS to the Corporate Plan and other Council Strategies
- To lead on producing a Savings Strategy to be recommended to the Strategy and Resources Committee and/or the Council as appropriate
- To have ownership of the Finance Peer Review Action Plan, and monitor its implementation
- To undertake any other financial related work as recommended by officers, subject to the agreement of the Group.

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FINANCE MEMBER GROUP - MEMBERSHIP

Existing Membership of the Finance Member Working Group agreed at the Extraordinary Council meeting on 8 June 2023

1. J Driver
2. M F L Durham, CC
3. T Fittock
4. A S Fluker
5. R H Siddall
6. N D Spenceley
7. W Stamp, CC
8. M E Thompson

Proposed Revised Membership of the Finance Member Group

To be comprised of the Political Group Leaders plus the Chairperson and Vice-Chairperson of the Strategy & Resources Committee (S&R) and Performance, Governance & Audit Committee (PGA).

1. R H Siddall – Leader of the Maldon Independent Group
2. J Driver – Leader of the Liberal Democrat Group
3. **NEW - S J N Morgan – Leader of the Conservative Group**
4. **NEW - J C Stilts – Leader of the District Support Group**
5. M F L Durham, CC – Chairperson of S&R
6. T Fittock – Vice-Chairperson of S&R
7. **NEW - V J Bell – Chairperson of PGA**
8. M E Thompson – Vice-Chairperson of PGA

~~A S Fluker~~

~~N D Spenceley~~

~~W Stamp, CC~~

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**REPORT of
INTERIM CHIEF FINANCE OFFICER**

**to
COUNCIL
13 JULY 2023**

MEDIUM TERM FINANCIAL STRATEGY UPDATE AND SAVINGS STRATEGY

1. PURPOSE OF THE REPORT

- 1.1 To update the Council on the revised Medium Term Financial Strategy (MTFS) position and set out the requirement to urgently identify a Savings Strategy to address the budget gap.

2. RECOMMENDATIONS

- (i) That the Council review the revised Medium Term Financial Strategy (MTFS) position;
- (ii) That the Council agree the requirement to urgently identify a Savings Strategy to address the budget gap.

3. SUMMARY OF KEY ISSUES

- 3.1 At the Council meeting on 22 February 2023 the 2023/24 budget was agreed and the MTFS projections over the following two years were noted.
- 3.2 The 2023/24 budget relied on a drawdown from General Balances of £421k to fund the planned expenditure for the year. A budget gap of £2,872k in 2024/25 and £3,507k in 2025/26 was anticipated, based on the assumptions set out in the report at that date. That would leave General Balances below the minimum recommended level of £2.6m in 2024/25 and in a negative position by 2025/26, which is unsustainable.
- 3.3 Following the closure of the 2022/23 accounts and the findings of the Finance Peer Challenge carried out in February 2023, the high-level funding assumptions for the period 2023/24 to 2025/26 have been further reviewed and refined.
- 3.4 The provisional 2022/23 business rates position was better than forecast, and it is anticipated that some of this growth can be built into the baseline position. This would close the expected gap for 2023/24 and improve the position in future years.
- 3.5 In addition, as recommended by the Peer Challenge findings, a review of assumptions around future funding levels has been undertaken, including assumed growth in the Council Tax base, and expected overall funding levels from central government. Taken together with the Business Rates growth these result in an anticipated net improvement in overall funding levels of £1,320k in 2024/25 and £1,476k in 2025/26.

- 3.6 It should be noted that other budget assumptions, including future cost pressures, have not been reviewed or refined at this stage, but that this work will be done as part of the MTFS process and brought back to Members for further consideration via the Finance Working Group and Strategy and Resources Committee.
- 3.7 The overall updated central forecasts for the period 2023/24 to 2025/26 are set out in Table 1 below.

Table 1- Changes to the Projected Budget Gap

	2023/24 £000	2024/25 £000	2025/26 £000
Opening Budget Gap	-421	-2,872	-3,507
Funding improvement	421	1,320	1,476
Revised Budget Gap	-	1,552	2,031

- 3.8 It should be noted that these forecasts are based on number of assumptions which are subject to change and will be reviewed and refined further as the budget process continues. An optimistic and pessimistic scenario will also be modelled for Member's consideration as suggested in the Finance Peer Review.
- 3.9 This central forecast leaves a projected residual gap of £1,552k in 2024/25 and £2,031k in 2025/26. This would deplete the Council's general balances by £3,583k over the next three years, leaving them below the agreed minimum level of reserves of £2.6m by 2025/26, which although an improvement compared to the position reported in February 2023, remains unsustainable.

Table 2 – Changes to the Projected General Fund Balances

	2023/24 £000	2024/25 £000	2025/26 £000
Projected Opening General Fund Balance	5,081	5,081	3,529
Projected Movement	-	-1,552	-2,031
Projected Closing General Fund Balance	5,081	3,529	1,498

- 3.10 An indicative 2026/27 position is also being modelled and will be reported to Members as part of the budget setting process over the coming months.
- 3.11 In order to address the projected gap urgent action needs to be taken to identify a Savings Strategy which will set out recommendations to address this. This will need to consider all possible options for savings and income generation, including the potential to stop or reduce non-statutory services, review the level and standard statutory services are being provided at, delivering services in different ways including outsourcing or shared services, and a full review of fees & charges and commercial income opportunities. The Finance Working Group will be tasked to lead on the Savings Strategy, and report clear recommendations back to the Strategy and Resources Committee and the Council for agreement.
- 3.12 In the separate report on the Finance Peer Challenge findings to the Council on 13th July 2023, it is recommended that the Terms of Reference for the Finance Working Group are reviewed, and its membership changed to comprise the Political Group Leaders plus the Chairperson of the Strategy and Resources Committee and Performance, Governance and Audit Committee. This will help to ensure a 'no silo' approach across the Council and to link the Corporate Plan objectives to the MTFS.

4. CONCLUSION

- 4.1 It can be seen that even with the improved funding assumptions set out within the report, the Council's MTFS remains in an unsustainable position over the next three years. Therefore urgent work to identify a Savings Strategy needs to be undertaken to address the projected budget gap. The Finance Working Group will be tasked with leading this work and making clear recommendations back to the Strategy and Resources Committee and Council for agreement.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

5.1 Smarter finances

- 5.1.1 The 'Smarter Finance' corporate priority sets out the objectives of setting a robust Medium Term Financial Strategy and sustainable expenditure plans in order that the Council can provide services without relying on the use of reserves in future.

6. IMPLICATIONS

- (i) **Impact on Customers** – None directly arising from this report.
- (ii) **Impact on Equalities** – None directly arising from this report.
- (iii) **Impact on Risk** – If the Council does not take the actions suggested in the report there is a risk that it will remain in an unsustainable financial position and will not be able to meet its legal requirement to set a balanced budget in future years.
- (iv) **Impact on Resources (financial)** – As set out within the body of this report.
- (v) **Impact on Resources (human)** – None directly arising from this report.

Background Papers: None.

Enquiries to: Naomi Lucas, Interim Chief Finance Officer.

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**REPORT of
INTERIM CHIEF FINANCE OFFICER**

**to
COUNCIL
13 JULY 2023**

**PROVISIONAL OUTTURN 2022/23 REPORT PRESENTED TO THE STRATEGY AND
RESOURCES COMMITTEE ON 22 JUNE 2023**

1. PURPOSE OF THE REPORT

- 1.1 To seek approval by the Council of the recommendations within the Provisional Outturn 2022/23 report at **APPENDIX A**, that were previously not approved by the Strategy and Resources Committee on 22 June 2023.

2. RECOMMENDATION

That the Council approves the recommendations set out in the Provisional Outturn 2022/23 report at **APPENDIX A**.

3. SUMMARY OF KEY ISSUES

- 3.1 The Strategy and Resources Committee receives an annual report setting out the provisional year-end position for the previous financial year, for their consideration and approval. The 2022/23 Provisional Outturn report was considered by the Committee on 22 June 2023.
- 3.2 As part of this report the following recommendations were made:
- (i) That the Provisional Outturn position for the 2022 / 23 financial year be noted
 - (ii) That the Revenue Commitments detailed in Appendix 2 be approved to be brought forward into 2023 / 24;
 - (iii) That the movement in Earmarked Reserves in Appendix 3 be approved;
 - (iv) That the Capital Commitments in Appendix 4 be approved to be brought forward into 2023 / 24;
 - (v) That £421k of additional business rates income is used to close the budget gap for 2023 / 24.
- 3.3 It should be noted by the Council that recommendations (ii) and (iv) relate to the approval of existing revenue and capital commitments made by the Council, and that the carry forward of these monies is therefore required in order to continue normal operation of the Council. If these recommendations are not approved, the Council will be unable to fulfil all its statutory and legal commitments and many existing projects will have to cease or be paused while a review of all commitments is undertaken. In

addition, many of these commitments are funded through grants, which may have to be returned to the grant body if not used for the purpose intended.

- 3.4 It should also be noted by Council that recommendation (iii) relates to the movement in ear-marked reserves, and that the majority of the movements detailed in Appendix 3 have already been actioned, by prior approval given through individual decisions made by the Council during previous financial years, and these cannot be altered retrospectively. There are a smaller number of reserve movements which relate to items recommended to the Committee as part of the outturn process to manage the overall financial position of the Council, for example the use of the 'Council Tax and Business Rates equalisation reserve' to counter the timing differences in Business Rates funding and mitigate the risks associated with fluctuations in income. Approval of the overall reserve movements was therefore sought by the Strategy and Resources Committee for completeness, although many of the individual lines were just for noting.
- 3.5 In relation to recommendation (v) that £421k of additional business rates income is used to close the budget gap for 2023 / 24, this recommendation was made based on an assessment of the expected level of ongoing business rates in future years which would help to ensure the Council can remain financially sustainable instead of relying on general balances to make up the budget shortfall. If this recommendation is not agreed the 2023 / 24 budget would instead be balanced through a drawdown on the Council's general balances, as agreed by the Council on 22 February 2023, and any additional business rates income would be returned to the equalisation reserve.
- 3.6 At the Committee meeting Members discussed the content of the report, asked several questions about individual items contained within the report and requested further detail in some cases. Officers answered the questions put by the Committee where possible, or agreed to provide further detail in writing, and suggested that items requiring further scrutiny should be approved in principle but referred to the Finance Working Group for a more detailed review and brought back to the Committee for their assurance at a later date. This was agreed by the Chairperson at the meeting.
- 3.7 Following the discussion, it was agreed that the Committee should vote for the recommendations within the report on block, and following a recorded vote two members approved the recommendations, four rejected the recommendations, and three abstained, resulting in all the recommendations not being agreed by the Committee.
- 3.8 It is the Section 151 (S151) Officer's view that, while the Committee had legitimate questions and concerns, they wished to raise regarding individual items contained within the report, overall the intention of the Committee by not approving the recommendations was not to prevent the Council from fulfilling its statutory and legal obligations in relation to its revenue and capital commitments, or to prevent the Council from carrying out its normal operations and previously agreed projects.
- 3.9 The S151 Officer is therefore making a recommendation to the Council that it approves the recommendations set out in Provisional Outturn 2022/23 report at **APPENDIX A**, for the reasons set out above.
- 3.10 Items of individual concern noted by the Committee can be referred to the Finance Working Group for further review, and additional recommendations pertaining to these items may be made by that Group to the Strategy and Resources Committee for their approval at a future meeting if required.

4. CONCLUSION

- 4.1 It is recommended that Council approves the recommendations set out in Provisional Outturn 2022/23 report at **APPENDIX A**. If these are not approved the Council will be unable to fulfil all its statutory and legal commitments and many existing projects will have to cease or be paused while a review of all commitments is undertaken.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

5.1 Supporting our communities

- 5.1.1 If the recommendations are not agreed there will be a detrimental impact on the 'Supporting our Communities' Corporate Plan priority due to projects such as Magnox - Community Hub project being impacted through lack of funding.

5.2 Enhancing and connecting our place

- 5.2.1 If the recommendations are not agreed there will be a detrimental impact on the 'Enhancing and Connecting our Place' Corporate Plan priority due to important work such as the Local Development Plan being impacted through lack of funding.

5.3 Helping the economy to thrive

- 5.3.1 If the recommendations are not agreed there will be a detrimental impact on the 'Helping the economy to thrive' Corporate Plan priority due to projects such as Levelling Up and UK Shared Prosperity Fund being impacted through lack of resources.

5.4 Smarter finances

- 5.4.1 If the recommendations are not agreed there will be a detrimental impact on the 'Smarter Finances' Corporate Plan priority due to reserves and carry-forwards not being used effectively to manage the overall financial position of the Council.

5.5 A greener future

- 5.5.1 If the recommendations are not agreed there will be a detrimental impact on the 'A Greener Future' Corporate Plan priority due to projects such as the Climate Action Plan being impacted through lack of resources.

5.6 Provide good quality services.

- 5.6.1 If the recommendations are not agreed there will be a detrimental impact on the 'Provide Good Quality Services' Corporate Plan priority due to significant Council resources being diverted to undertake a review of all current revenue and capital commitments to decide which existing projects will have to cease or be paused.

6. IMPLICATIONS

- (i) **Impact on Customers** – If the recommendations are not agreed there will be a detrimental impact on Customers due to due to significant council resources being diverted to undertake a review of all current revenue and capital commitments to decide which existing projects will have to cease or be paused.

- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – If the recommendations are not agreed there will be an increased risk that the Council will not be able meet its statutory and legal commitments in relation to existing contracts.
- (iv) **Impact on Resources (financial)** – If the recommendations are not agreed there is likely to also be additional costs associated with exiting previously made commitments e.g. penalty clauses on contracts, redundancy costs and loss of grant income.
- (v) **Impact on Resources (human)** – If the recommendations are not agreed there will be a detrimental impact on human resources due to the significant additional officer time that will be required to review existing commitments and unwind previously agreed projects. It will also mean that posts currently planned to be funded from carry-forwards and reserves are likely to end.

Background Papers:

Enquiries to: Naomi Lucas, Interim Chief Finance Officer (Section 151).

**REPORT of
INTERIM CHIEF FINANCE OFFICER**

to
STRATEGY AND RESOURCES COMMITTEE
22 JUNE 2023

PROVISIONAL OUTTURN 2022 / 23

1. PURPOSE OF THE REPORT

- 1.1 To provide Members of the Committee with the Provisional Outturn position for the year ended 31 March 2023.
- 1.2 To inform Members of movements in relation to the Council's General Fund, Earmarked Reserves and Capital Commitments as at 31 March 2023.

2. RECOMMENDATIONS

- (i) That the Provisional Outturn position for the 2022 / 23 financial year be noted;
- (ii) That the Revenue Commitments detailed in **APPENDIX 2** be approved to be brought forward into 2023 / 24;
- (iii) That the movement in Earmarked Reserves in **APPENDIX 3** be approved;
- (iv) That the Capital Commitments in **APPENDIX 4** be approved to be brought forward into 2023 / 24;
- (v) That £421k of additional business rates income is used to close the budget gap for 2023 / 24.

3. SUMMARY OF KEY ISSUES

- 3.1 The Provisional Outturn report provides financial results for the Council for the year ending 31 March 2023. It shows performance against the original budget agreed by the Council on 22 February 2022 including subsequent approved amendments and is used for management purposes. The annual statement of accounts is prepared for statutory reporting purposes.
- 3.2 The statutory deadline for the publication of the draft 2022 / 23 statement of accounts was 31 May 2023, which was met by the Council; however the audit of these accounts is yet to commence and as such the figures set out in this 2022 / 23 Provisional Outturn report are subject to change.
- 3.3 **2022 / 23 Final Budget**
 - 3.3.1 The final revised service budget for 2022 / 23 was £14.6m. This was based on the original budget approved by the Council on 22 February 2022 and subsequent approved amendments, as summarised in Table 1 below.

Table 1 – 2022 / 23 Budget Movement Reconciliation

Description	Amount £000
Original 2022 / 23 Service Budget	13,736
Revenue Commitments brought forward from 2021 / 22	350
Approved Supplementary estimates	486
Approved Use of Earmarked Reserves	9
Final 2022 / 23 Service Budget	14,581

Note - The services budget includes statutory adjustments of £3,201k which do not impact on the general fund per accounting requirements.

3.4 2022 / 23 Provisional Outturn

- 3.4.1 Table 2 below is an overview of the 2022 / 23 provisional outturn position including statutory accounting adjustments. There is a budget underspend of £235k, giving a required drawdown from the general fund of £702k.

Table 2 – 2022 / 23 Provisional Outturn

	Final Budget £000	Provisional Actuals £000	Provisional Variance £000
Net Cost of Services	14,581	12,286	
Statutory Adjustments	(3,201)	(1,121)	
Net Cost of Services exc. Adj.	11,380	11,165	(215)
Investment Income	(214)	(622)	(408)
Funding and Reserves	(10,229)	(9,841)	388
Transfer from General Fund	937	702	(235)

- 3.5 An analysis of the major variances attributed to the £235k underspend are detailed in **APPENDIX 1**.
- 3.6 Although there is an underachievement in Funding and Reserves this is mainly due to timing differences around when additional income can be recognised in the business rates retention system. The Council has to pay a levy on business rates income above its baseline and this is recognised in the year it occurs. However, where the additional income is above that budgeted, that can only be recognised in future years creating a mismatch. It is proposed the additional income is used in 2023 / 24 to close the budget gap of £421k.
- 3.7 The outturn position takes into account revenue commitments, where underspends in year have occurred but need to be carried forward into the next financial year to fund expenditure commitments. These are shown in **APPENDIX 2**.
- 3.8 The impact on the general fund balance as a result of the provisional 2022 / 23 outturn is shown in Table 3 below.

Table 3 – General Fund Balance

	£000
Opening General Fund Balance	5,783
Transfer from General Fund	702
Closing General Fund Balance	5,081

- 3.8.1 Table 3 shows that the general fund balance remains above the minimum recommended level of £2.6m. A minimum level of general reserves is set to ensure the Council has the financial resilience to respond to emergencies and unforeseen events such as the current pandemic. However, if it did fall below the minimum level it would need to be replenished in future years.

4. EARMARKED RESERVES

- 4.1 The Council holds a number of earmarked reserves for specific purposes. Movements on these reserves during 2022 / 23 are detailed in **APPENDIX 3**. Drawdowns totalled £2.9m during 2022 / 23, with transfers into the reserves of £3.3m. Earmarked Reserves balances as at 31 March 2023 are £7.8m. This is a net increase of £0.4m from 1 April 2022. The purpose of each reserve is set out in the **APPENDIX 3**.

5. 2022 / 23 PROVISIONAL CAPITAL OUTTURN

- 5.1 The Council's approved capital programme was £1.0m in 2022 / 23. During the year £0.5m was spent, leaving a Capital underspend of £0.5m. A total carry forward into 2023/24 of £0.5m is requested.
- 5.2 The capital programme outturn with requested carry forwards is detailed in **APPENDIX 4**, alongside reasons for the slippage during 2022 / 23.

6. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

6.1 Smarter finances

- 6.1.1 Regular reporting and monitoring of the Council's financial position is a key control in ensuring the Council makes the best use of its resources and is able to make informed decisions.

7. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk** – This is an outturn report stating the provisional financial position for 2022 / 23. There is a risk with ongoing audits that these figures change.

- (iv) **Impact on Resources (financial)** – There was an underspend of £235k against the final budget in 2022 / 23 leaving the general fund balance standing at £5.1m, which is above the minimum level required.
- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on the Environment** – None directly.

Background papers: None.

Enquiries to: Lance Porteous, Lead Finance Specialist.

2022 / 23 Revenue Budget Variances

Area	Variance £000	Explanation
<i>Net Cost of Service:</i>		
Development Management Fees	(161)	Mainly due to higher than budgeted income for planning development fees, although fees relating to pre-application enquires and planning performance agreements were also higher.
Refuse	(124)	The variance is 3% of the gross cost of the service. There were a variety of underspends across expenditure budgets and also additional income for food waste contributions and recycling that contributed to the underspend.
Salary Costs	(114)	The variance is 1% of the salary budget and relates to vacant posts periodically occurring throughout the services due to staff movement.
New Burdens Grant	(86)	The Council administers government support schemes for residents in relation to the cost-of-living crisis. As such additional grant was provided by government.
Cemeteries	(59)	Higher than budgeted income was received for burial rights and plaques.
Leisure Contract	213	Recovery of membership following the pandemic has been impacted by the cost-of-living crisis. In addition, inflation has significantly increased operating costs, particularly energy, which means projected income levels have not been achieved.
Town Centre Car Parks	130	Income has not matched budget. An additional income target was added as part of the transformation and the budget has underperformed since, due to the pandemic.
Other Variances	(14)	Net of other variances.
Total Services Variance	(215)	
<i>Other Income and Expenditure:</i>		
Investment Income	(408)	The Bank of England Base Rate has significantly increased from when the budget was prepared, rising from 0.25% to 4.25% by the end of the financial year. As such the Council has received higher investment income than expected.
Business Rates Levy	326	The Council received a higher amount of business rates than budgeted, due to a reduction in its appeals provision, and as such has to pay a higher levy on this growth. Because of the way the rates retention system operates, the levy is recognised in year, but the additional income is recognised in future years. Therefore, the Council will benefit from additional income in future years.
Increase in Repairs and Renewals Reserve	50	In 2022/23 a number of unavoidable repairs and maintenance works were identified. This reserve sets aside funding to ensure they can be addressed future years.
Movements in other reserves	12	Net movement in other reserves.
Total Budget Variance	(235)	

Revenue Commitments

Name of Project	Account Name	Budget £000	Narrative
New Burdens - Salary funding	New Burdens Grants	273	Government support for administration of new burdens funding.
Test & Trace/UK Health Security grant	Covid 19 Track & Trace grant	183	Grant in relation to track and trace initiative.
Planning resources	Pre-apps	162	To fund planning resource to deliver against the additional fees that were received in 2022/23.
Tree Works MDC/ECC SLA March 2023	Tree Surgery	130	Work to be carried out in 2023/2024
New Burdens Grant	Administration Grant	130	New burdens grant income that will support future resources in respect of the administration of government support.
Resources Salaries	Finance Support	80	Additional funding to support closure activities and audit in respect of 2022/23 accounts.
Climate Action Plan implementation	Climate Action	48	To implement the Climate Action Plan 2023/24.
New burdens - Energy Rebate Scheme	NB CT Energy Rebate Scheme Exp	37	Grant to support the rollout of the energy rebate scheme.
LUF funding for commercial consultants	Consultants	29	To fund consultants in 2023/24.
New Burdens - NDR	NB Rate Relief Expenditure	28	Government support for administration of new burdens funding.
New burdens - software maintenance	Software Maintenance	27	Funding of software in relation to government new burdens activity for Revenue and Benefits.
BMX Track Prom Park	General Parks Maintenance	23	Project not completed in the current 2022/2023 financial year
Audit grant received	Government Grant	20	Grant in respect of increased audit fees.
New Burdens - Coach work grant	Customer Work Coach Grant	19	Grant to be spent in 2023/24.
FM Transformation - IT & Staff training	FM Implementation	15	Fund planned IT projects and training.
Election Management - District Elections	District Elections	13	To contribute to District Election costs in May 2023
Lease Tractor for the Parks team	Lease vehicle	12	Tractor to be acquired in 2023/2024
Consultancy fees	Consultancy Fees	11	Needed in 2023-24
Parks Improvement Fund	Parks Improvement Fund	10	For works that will be carried out in 2023/24.
His Majesty's Land Registry Project	Scanning of documentation	9	Ongoing project.
Magnox - Community Hub project	Magnox Cost of Living Expend	9	Remaining funding to be carried over for Community Hub grant
New Burdens - VEPS	Additional Admin grant	9	Government support for administration of new burdens funding.
Emergency generator	Equipment	8	Delivery in April
Management Development Programme	Corporate training	8	Training commitment
Asbestos Surveys	Legionella & Asbestos testing	6	Not all of the work is completed yet.
UKSPF - FTC extension part funding	UKSPF set up expenditure	6	To be used to part fund FTC extension of Lead Specialist Prosperity
Promotion and Education - Tourism	Promotion & Education	6	To deliver Tourism marketing
Five year periodic electrical testing for Princes Road	Maintenance	5	Essential works that were delayed due to contractor availability
5Y HLS Working Group Legal Advice	Consultancy	5	Budget required for Barrister advice on 5Y HLS
Electoral Registration Canvass	Canvass	5	To contribute District Election costs in May 2023
National Lottery Heritage	National Lottery Heritage grant expenditure	4	Delivery of grant objectives
Memorial topple testing repairs	Property Maintenance	2	Delay in works due to capacity and resource issues.
Independent annual play site inspections	Equipment Maintenance	2	Delay on inspector being able to complete onsite visits
Community Engagement	Engagement	2	To be spent on engagement in 2023/24
Difficult conversations training	Corporate training	1	Training commitment in 2023/24

Name of Project	Account Name	Budget £000	Narrative
Business Partner Practioner training	Resources Training	1	Training commitment in 2023/24
Strategic Workforce Planning Programme	Resources Training	1	Training commitment in 2023/24
Members training	Members Training	1	Planned member training in 2023/24
Chair's planned expenditure	Chair's Budget	1	Expenditure in May 2023
Total		1,341	

Movement in Earmarked Reserves

Reserve	Balance 1 April 2022	Transfers Out	Transfer In	Balance 31 Mar 2023	Purpose
Business Continuity	(10)	-	-	(10)	To provide funding for emergency requirements such as salt, sand bags or other business continuity requirements
Community grants	(1)	-	-	(1)	The time limits on these grants exceed the financial year in which the budget provision was made, necessitating a reserve to cover the outstanding liabilities.
Community Housing Fund Grant	(116)	-	-	(116)	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.
LDP review	(581)	316	(565)	(830)	Following the adoption of the Local Development Plan, this reserve will now fund the work to enable implementation of the CIL, and also to meet the regulations to ensure that the LDP is reviewed regularly.
Community Safety	(78)	-	-	(78)	Reserve set aside to fund Community Safety activities.
Community Sports Network/Health & Wellbeing	(41)	-	-	(41)	A grant was received from the Government in 2011/12 to support sports networks; this is being utilised year by year as necessary.
Council Tax and Business Rates equalisation	(3,637)	1,705	(774)	(2,706)	This reserve is to counter the timing differences in Business Rates funding and mitigate the risks associated with fluctuations in income.
Economic Development	(65)	16	-	(48)	Reserve set aside to support economic development activities in the District.
Electoral Registration	(102)	-	-	(102)	Reserve set aside to support Electoral works.
Feasibility Study reserve	(78)	4	-	(74)	To fund feasibility studies for potential strategic projects
Heritage Projects: Environmental Imps	(8)	-	-	(9)	The Council gives grants in support of environmental initiatives and historic buildings. The time limits on these grants exceed the financial year in which budget provision is made, necessitating a reserve to cover outstanding liabilities
Homeless reduction Act Grant	(56)	-	-	(56)	Reserve set up to use three years of grant funding for Homelessness Reduction Officer.
Insurance liability	(52)	-	-	(52)	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 and finance any claims for small risks not insured externally.
Neighbourhood Plan Applications	(29)	-	-	(29)	Funding to be utilised in supporting the preparation of neighbourhood plans.
New Homes Bonus reserve	(391)	391	-	-	Funding to support general fund pressures
Pensions Reserve	(520)	-	(520)	(1,040)	To provide a reserve to enable the Council to forward fund the pension deficit for 3 years in 2021.
Repairs & renewals fund	(177)	5	(50)	(222)	To provide funds to support additional revenue / capital costs arising from the need to maintain the Council's asset base. £50k has been added to the reserve to be released in 23/24.

Reserve	Balance 1 April 2022	Transfers Out	Transfer In	Balance 31 Mar 2023	Purpose
Revenue commitments	(361)	350	(1,341)	(1,352)	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
Sports Development	(37)	7	-	(30)	Reserve set aside to fund Sports Development activities.
FDO external funding from Plume	(1)	-	-	(1)	Specific external funding towards the post of Football Development Officer
Corporate Delivery Fund Reserve	(131)	38	(35)	(128)	To provide funds for strategic projects
Transformation	(952)	117	-	(835)	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.
Waste Contract Implementation	(15)	-	-	(15)	Contributions towards the procurement and mobilisation of the new Waste contract
Income & Expenditure Budget Equalisation	-	-	(49)	(49)	Released from the BDP to smooth out income and expenditure over years
Total Specific Reserves	(7,439)	2,949	(3,334)	(7,824)	

2022/23 Provisional Capital Outturn

Capital Project	Description	2022/23 Budget £000	2022/23 Expenditure £000	2022/23 Balance £000	Carry Forward £000
New Accessible Playsite	The original tender for this work did not receive any suitable responses and so the works need to be retendered and carried out this year, it will also be combined with a new Capital budget in 2023/24	48	0	48	48
Splash Park New Elements	Now that the resurfacing works have been completed a review of the element replacements can be done for 2023/24	30	0	30	30
Blackwater LC - Air Handling Unit	Discussions taking place with Places Leisure on replacement and what is required	25	0	25	25
New replacement laptops - Rolling replacement programme		24	8	16	0
New BLC Car park entrance and drainage works		25	26	(1)	0
Burnham on crouch Houseboats berth	The project has been delayed and is ready to get underway in 2023/24	117	6	111	111
Gym Expansion Dengie 100		30	0	30	0
Parks Vehicle - Rolling replacement programme		100	97	3	0
New Animal warden vehicle		12	12	0	0
PC and Printer Replacement Programme		47	61	(14)	0
Prom Park New Footpath (Entrance Road)		20	19	1	0
Prom Park Entrance Road Bollard Lighting		16	16	0	0

Capital Project	Description	2022/23 Budget £000	2022/23 Expenditure £000	2022/23 Balance £000	Carry Forward £000
Prom Park Skate Park Resurfacing	This was delayed due to the possibility of S106 funding the project. This will not be happening, and the project will be MDC funded and start in June. Specification is all done	45	0	45	45
Marine lake pumping station		11	11	0	0
Oaktree Meadow Surfacing		21	21	0	0
Burnham On Crouch Pontoon	External funding has been approved and will be combined with the MDC budget and will commence in the next few months	60	0	60	60
White Horse Lane resurfacing	Project delayed. The specifications are now complete and will be going out to Tender	77	0	77	77
Butt Lane subsidence repairs	Project delayed. The specifications are now complete and will be going out to Tender	60	0	60	60
BLC - New hot water boilers		31	24	7	0
Prom Park Entrance Road Resurfacing		40	41	(1)	0
Splashpark surface		137	122	15	0
TOTAL		975	464	512	455

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