

09 September 2026



Princes Road
Maldon
Essex CM9 5DL

www.maldon.gov.uk



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

CHIEF EXECUTIVE
Doug Wilkinson

Dear Councillor

You are summoned to attend the meeting of the;

PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE

on **THURSDAY 17 SEPTEMBER 2026 at 7.30 pm**

in the **Sharespace, First Floor, Maldon District Council Offices, Princes Road, Maldon, CM9 5DL.**

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 register your request to speak / attend in person please complete a [Public Access form](#) (to be submitted by 12noon on the working day before the Committee meeting). All requests will be considered on a first-come, first-served basis.

A copy of the agenda is attached.

Yours faithfully

Chief Executive

COMMITTEE MEMBERSHIP:

CHAIRPERSON	Councillor W Stamp, CC
VICE-CHAIRPERSON	Councillor M G Neall
COUNCILLORS	D O Bown S Dodsley J C Hughes R G Pratt R H Siddall U G C Siddall-Norman N D Spenceley M E Thompson
INDEPENDENT PERSON (non-voting)	Mr Derek Smith

Please note: Electronic copies of this agenda and its related papers are available via the Council's website www.maldon.gov.uk.





AGENDA
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
THURSDAY 17 SEPTEMBER 2026

1. **Chairperson's Notices**

2. **Apologies for Absence**

3. **Minutes of the last meeting** (Pages 5 - 78)

To confirm the Minutes of the Performance, Governance and Audit Committee held on 16 July 2026 (copy enclosed).

4. **Matters Arising** (Pages 79 - 82)

To note the matters arising from the last meeting of the Committee (copy enclosed).

5. **Disclosure 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 Participation**

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

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

7. **External Audit: Building Back Assurance** (Pages 83 - 94)

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

8. **Corporate Performance Quarter 1** (Pages 95 - 126)

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

9. **Review of Corporate Risk Quarter 1** (Pages 127 - 136)

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

10. **Annual Governance Statement Actions Update** (Pages 137 - 140)

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

11. **Health and Safety Update - Quarter One 2026 / 27** (Pages 141 - 152)
To consider the report of the Director of Neighbourhood Services and Communities (copy enclosed).
 12. **Leisure Contract Update** (Pages 153 - 160)
To consider the report of the Director of Strategy and Improvement, (copy enclosed).
 13. **UK Shared and Rural England Prosperity Funds** (Pages 161 - 168)
To consider the report of the Director of Strategy and Improvement, (copy enclosed).
 14. **Any other items of business that the Chairperson of the Committee decides are urgent**
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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

We do not have any fire alarm testing scheduled for this meeting. In the event of a fire, a siren will sound. Please use either of the two marked fire escape routes. Once out of the building please proceed to the designated muster point located on the grass verge by the police station entrance. Please gather there and await further instruction. If you feel you may need assistance to evacuate the building, please make a member of Maldon District Council staff aware.

Health and Safety

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

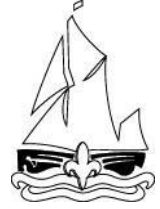
Closed-Circuit Televisions (CCTV)

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.

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**MINUTES of
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
16 JULY 2026**

PRESENT

Chairperson	Councillor W Stamp, CC
Vice-Chairperson	Councillor M G Neall
Councillors	D O Bown, S Dodsley, R G Pratt, R H Siddall, U G C Siddall-Norman, N D Spenceley and M E Thompson
Independent Person	Mr Derek Smith

1. CHAIRPERSON'S NOTICES

The Chairperson welcomed everyone to the meeting and went through some general housekeeping arrangements for the meeting.

2. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor J C Hughes.

3. MINUTES OF THE LAST MEETING

RESOLVED

- (i) that the Minutes of the meeting of the Committee held on 4 June 2026 be received.

Minute No. 60 – Chairperson's Notices

A typographical error on the last line of this Minute was noted and the Chairperson advised that this would be corrected.

RESOLVED

- (ii) that subject to the above amendment the Minutes of the meeting of the Committee held on 4 June 2026 be confirmed.

4. MATTERS ARISING

The Committee noted the matters arising from the last meeting.

In response to further discussion regarding the action relating to installation of a green roof in Burnham-on-Crouch, the Chairperson requested that the matter be referred to the Environmental and Sustainability Working Group, particularly the suggestion to

explore options other than a green roof to attract wildlife, such as planting an area of buddleia plants within Riverside Park.

Reference was made to the Members' dashboard, which provided details of Key Performance Indicators (KPIs) and the data underpinning them. In response to a request for additional information that would indicate whether an area was on track or moving towards excellence, the Chairperson requested that an item relating to this be brought back to the next meeting of the Committee.

Confirmation was sought as to whether the briefing note from the Director of Finance setting out the basis of the fee scale, charges and the method by which additional charges were applied had been circulated. In response, the Director advised that he understood it had been circulated but would ensure the briefing note was recirculated to Members.

In response to a question regarding the appointment of External Auditors, the Director of Finance confirmed that appointment of External Auditors was undertaken by the Government and that the Council had no control over this process. He further advised that the new local audit office was due to be established within the next 12 months and would lead to a greater level of engagement in respect of the external audit contract being managed on the Council's behalf.

5. DISCLOSURE OF INTEREST

There were none.

6. PUBLIC PARTICIPATION

No requests had been received.

7. INTERNAL AUDIT REPORTS

The Committee considered the report of the Director of Finance and associated Internal Audit reports from BDP LLP, attached on the agenda as follows:

7a) Internal Audit Progress Report (July 2026)

7b) Follow Up of Recommendations Report (July 2026)

7c) IT Governance - Final Report (April 2026)

7d) Medium Term Financial Strategy - Final report (May 2026)

7e) Accounts Payable - Final Report (June 2026)

7f) Annual Report and Opinion - Draft (July 2026)

Internal Audit Progress Report (July 2026)

Mr Andrew Billingham (BDO LLP) presented his report to the Committee, which provided an update on progress made against the 2025 / 26 Internal Audit Plan and summarised the work BDO had completed, together with an assessment of the systems reviewed and the recommendations raised.

It was noted that, since the last report to the Committee, three final reports had been completed and were presented to the Committee. The work for the year had been concluded and had informed the Annual report and Head of Internal Audit Opinion

for 2025 / 26, presented separately.

Mr Billingham advised that work had commenced on planning the delivery of the 2026 / 27 Internal Audit Plan following its approval by this Committee at its last meeting.

Follow Up of Recommendations Report (July 2026)

Mr Billingham presented the report and provided an update in respect of the recommendations arising from reports issued in 2024 / 25 and 2025 / 26. It was noted that eight recommendations had been implemented since the last meeting of the Committee. There were two recommendations classed as in progress, meaning they had missed their original implementation date, and one recommendation classed as overdue, having missed its revised implementation date. Members were advised that work was progressing to implement all three recommendations, although implementation was taking longer than Officers anticipated.

In response to a question, Mr Billingham explained the process undertaken by Internal Audit to identify implementation dates and follow up with Officers, commenting that, overall, this presented a positive position.

The Chairperson questioned whether the Senior Leadership Team (SLT) received reports when deadline dates were not adhered to. She expressed concern where targets and deadlines were not met and suggested that the reasons for missed deadlines could be reported to the Committee to ensure openness and transparency.

In response, the Chief Executive advised that all recommendations were reviewed by SLT, allowing for discussion and prioritisation of any issues, concerns regarding deadlines, or capacity constraints. He further commented on the importance of meeting deadlines and the need for realistic timescales to be set by both the Council and Internal Audit. He also highlighted the positive working relationship between Council Officers and the Internal Auditors.

IT Governance - Final Report (April 2026)

Mr Billingham presented the report, advising that a review of the adequacy and effectiveness of the Council's IT governance arrangements had taken place. He explained that the review had received moderate assurance and outlined the two medium-priority recommendations raised to support the Council in mitigating the identified risks.

It was noted that one of the recommendations related to the online training for staff and Members and, in response to questions, the Chief Executive advised that it was important to focus on those who had not passed the test and to offer support where required. In response to further debate and comments made, the Chairperson reminded the Committee that it had previously debated training and that, whilst not all training was mandatory, the Council was seeking to achieve the right balance. The Director of Strategy and Improvement reported that, following feedback from staff and Members, changes had been made to the provider used for training courses, with the current system having been more intuitive, courses having been shorter, and the Council's new email system having the ability to highlight training requirements in areas such as cyber security.

In response to a question regarding the ICT workforce recommendation, the Chairperson referred to a concern raised by the Committee in the previous year regarding the lack of investment in ICT (in terms of staff, software, licenses, etc.) and questioned whether the ICT team was operating at full capacity and whether managers had received training in budget management. The Director of Strategy and Improvement acknowledged the audit findings and outlined the changes that

had been made to the ICT team as part of the Transforming Together Programme. She advised that the Council had also strengthened its organisational approach to workforce planning through the appointment of a new Learning and Development Officer.

The Chairperson highlighted some recent technical problems that had occurred in the Council Chamber prior to the start of a Committee meeting and the availability of IT to resolve such issues. The Director of Strategy and Improvement assured Members that there was a rota for onsite IT with a minimum of two staff on site every day and in addition, she was having further discussions with the Director of Legal and Governance regarding the resourcing of Committees.

There was some discussion regarding the ICT system and replacement of the microphones in the Council Chamber with some Members expressing concerns that any new system would meet the requirements of the Council and its residents. The Chief Executive advised that Officers were progressing a procurement process for a new IT system within the Council Chamber which included microphones and that further information would be provided to Members when available. A comment regarding IT systems and Local Government Reorganisation was raised and the Director of Finance provided further information.

In response to a question regarding leadership programmes for Members and the Senior Leadership Team, the Chief Executive advised that the Local Government Association supported Members and that Officers were encouraged to put themselves forward for professional and career development programmes. At this point, the Chairperson reminded Members of the Member Training Working Group and highlighted how any additional training identified by a Member would be supported.

It was queried why the Council had stopped using Member nameplates. In response, the Chairperson requested that these be reinstated and made available at each meeting for Members to collect upon entering the chamber.

Medium Term Financial Strategy - Final report (May 2026)

Mr Billingham presented the report, advising that a review of the Council's Medium Term Financial Strategy (MTFS) had taken place. He explained that the review had received a moderate assurance opinion for the design of controls and a substantial assurance for their effectiveness. Members were reminded that substantial assurance opinion was the highest opinion that the Internal Auditors could provide.

It was noted that one medium-priority recommendation had been raised regarding the absence of documented guidance or procedure notes setting out the methodology for the development of the MTFS.

In response to comments, the Director of Finance acknowledged that having a clear internal process note would be beneficial and would also assist the Council in its preparation for Local Government Reorganisation.

Accounts Payable - Final Report (June 2026)

Mr Billingham presented the report, advising that a review of the design adequacy and operational effectiveness of internal controls managing accounts payable processes had taken place. He explained that the review had received a moderate assurance opinion for the design of the controls and substantial assurance opinion for their effectiveness. One medium-priority recommendation had been raised to help the Council mitigate the identified risks. The recommendation related to the potential for duplicate supplier accounts or duplicate payments and the need for the Council to have a process in place to regularly review such occurrences.

In response to a question, the Director of Finance advised that target implementation date for the recommendation was 31 October 2026. He agreed to provide feedback to Members on progress made against the recommendation and would take forward Members' comments regarding the need to undertake regular checks to identify duplicate accounts and ensure that no payments were being in error.

The Director further advised that he was developing a periodic report to monitor budget code and account number changes and to ensure that this formed a key control within the Authority.

Annual Report and Opinion - Draft (July 2026)

Mr Billingham presented the report, which provided a summary of the work undertaken by Internal Audit during the year. He reported that the outcomes were positive, with the Council receiving an overall assurance opinion of Generally Satisfactory, with improvements required in some areas.

It was noted that the report highlighted the work completed during the year, together with the themes identified through the audits undertaken and the findings reported.

Internal Audit reports continued

The Chairperson then moved the recommendations set out in the report. This was duly seconded and approved.

RESOLVED that the Committee considered, commented, and approved the following reports as set out on the agenda:

- (i) Internal Audit Progress Report (July 2026) – at 7a;
- (ii) Follow-Up of Recommendations Report (July 2026) – at 7b;
- (iii) IT Governance - Final Report (April 2026) at 7c;
- (iv) Medium Term Financial Strategy - Final Report (May 2026) – at 7d;
- (v) Accounts Payable - Final Report (June 2026) - at 7e;
- (vi) Annual Report and Opinion - Draft Report (July 2026) – at 7f.

8. UK SHARED AND RURAL ENGLAND PROSPERITY FUNDS

The Committee considered the report of the Director of Strategy and Improvement providing an update on progress of the UK Shared and Rural England Prosperity Funds (UKSPF) for the allocation period 2025 / 26.

Members were reminded that the Chancellor had confirmed the continuation of UKSPF for a further year, allowing local authorities to invest in local growth, in advance of wider funding reforms. The Council on 3 April 2025 had approved the proposed projects to be delivered and granted delegated authority to the Chief Executive, in consultation with the Leader of the Council, Chairperson of the Strategy and Resources Committee and Ward Members to identify projects for delivery.

The Council had submitted its forecast spend, outputs and outcomes for 2025 / 26 to the Ministry of Housing, Communities and Local Government (MHCLG) who had confirmed acceptance of the submission. It was noted that of the £738,369 funding, expenditure of £751,221.35 had been incurred and Appendix 1 to the report provided a progress update on the individual projects.

Members were advised that Officers would continue to deliver the projects over the funding period and submit the required MHCLG returns. Further progress updates would be reported to the Performance, Governance and Audit Committee throughout the municipal year.

The Chairperson congratulated the Director on an excellent piece of work which resulted in a number of good initiatives around the District. She then moved the recommendation set out in the report. This was duly seconded and agreed.

RESOLVED that the Committee acknowledged the update provided on Maldon District Council's UK Shared and Rural England Prosperity fund allocations for 2025 / 26 and agreed to continue monitoring delivery.

9. REVIEW OF FINANCIAL REGULATIONS

The Committee considered the report of the Director of Finance presenting an updated version of the Council's Financial Regulations (attached at Appendix 1 to the report). It was noted that the review of the Financial Regulations had taken place ahead of the new financial year as part of the preparations for implementing the 2026 / 27 budget.

The Director of Finance presented the report and advised Members that the recommended changes to the Financial Regulations would support increased efficiency and agility in the delivery of the Council's agreed priorities without compromising on the effectiveness of financial controls. The report set out the main areas of change and highlighted the following three areas where more significant amendments were proposed:

- Item 8 – Clarification of budget management order of priority
- Item 12 – Use of 'best estimates'
- Item 16 – Tolerance in capital schemes

It was noted that the proposed changes had been considered by the Senior Leadership Team.

The Chairperson thanked Councillor R G Pratt who, at a previous meeting, had requested that the Regulations be brought back with the proposed changes tracked. She then moved the recommendations as set out in the report, which were duly agreed.

RECOMMENDED

- (i) That the recommended changes to the Financial Regulations, set out in **APPENDIX 1** to these Minutes, be considered and approved;
- (ii) That, subject to (i) above, the Financial Regulations be revised and published on the Council's website.

10. PRE-AUDIT STATEMENT OF ACCOUNTS, 2025/26

The Committee considered the report of the Director of Finance presenting the pre-audit accounts for 2025 / 26 (attached at Appendix 1 to the report) for consideration. It was noted that the Accounts had been prepared and published on the Council's website by the deadline of 30 June.

The Chairperson referred to the recent Member training that had taken place, the video of which had been made available on the Members' website. In response to a question, the Director of Finance confirmed that Mr Smith (Independent Person) had been in attendance at this training and he would ensure he had a copy of the video recording.

The Director of Finance presented the report, highlighting that these were the pre-audit and therefore not finalised Statements of Account. He advised that the Council had met the robustness test of the overall financial management of the Council to prepare its accounts to a high quality and defined timetable. The format of the accounts reflected the complexity of the Council and requirements of both the International Financial Reporting Standards (IFRS) and Chartered Institute of Public Finance and Accountancy (CIPFA).

It was noted that the Council would not receive sign off on the accounts by KPMG (External Auditors) until the backstop date of late January 2027. However, the Director of Finance explained that verbal assurance of the position was expected in October / November 2026.

The accounts were supported by a range of supporting statements which, together with the accounts, provided a detailed record of the decision-making and financial activity of the Council during the year. The report also included details of the valuation of the pension scheme and Appendix 2 to the report provided the actuary's valuation and assumptions for comparison. Officers had reviewed the assumptions made by the actuary and were content the assumptions were reasonable.

The Director highlighted the financial performance set out in the report, including revenue performance, the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement and the Balance Sheet.

In concluding his presentation of the report and appendices, the Director expressed his thanks to the Finance Team for their hard work.

The Chairperson then moved the recommendation set out in the report. This was duly seconded and agreed.

RESOLVED that Members:

- (i) considered the pre-audit accounts for 2025/26 (attached at Appendix 1 to the report) and the purpose of that document;
- (ii) noted the successful preparation of the pre-audit accounts for 2025/26 by Officers ahead of the deadline;
- (iii) noted the key values that the pre-audit accounts for 2025/26 include;
- (iv) reviewed the key assumptions made by the actuary in their valuation of the net pension liability (as detailed in Appendix 2 to the report).

11. ANY OTHER ITEMS OF BUSINESS THAT THE CHAIRPERSON OF THE COMMITTEE DECIDES ARE URGENT

At this point, Mr Smith, the Independent Person, welcomed the positive reports and suggested that the Council should do more to publicise its achievements. The Chairperson highlighted the significant progress made by the Council in recent years. The Director of Finance thanked Members for their comments and noted that the

reports provided assurance of the Council's strong financial position, adding that opportunities for further publicity would be considered.

There being no other items of business the Chairperson closed the meeting at 8.44 pm.

W STAMP, CC
CHAIRPERSON

PART 4 – RULES OF PROCEDURE
FINANCIAL REGULATIONS AND FINANCIAL PROCEDURES



MALDON DISTRICT COUNCIL

Financial Regulations and Financial Procedures

PART 4 – RULES OF PROCEDURE

FINANCIAL REGULATIONS AND FINANCIAL PROCEDURES

Changes log

Committee version	Change
C 2.1 changed to reflect audit committee responsibility as opposed to finance and corporate services.	June 2018
Throughout – Amend the references to Chief Executive and Directors titles in line with new structure.	October 2018
Appendix I reference to Deputy for Section 151 removed as this isn't a position.	January 2019
Amended wording relating to cheques as pre-signed cheques are now removed.	January 2019
Appendix G.9. Amended wording on BACS to reflect new BACS system of electronic signatures and gave delegation of authorisations of BACS to Director of Resources.	February 2019.
Combined B.1.3 and B.1.4 as no required distinctions.	February 2019
Updating to reflect new Committee Structure (SPJ)	February 2020
Updating to reflect new Senior Management Structure	October 2025
Updating to: • reflect the Phase 2 and Phase 2 organisational structure changes as well as providing clarity on a number of key points • remove some areas of confusion without changing the fundamental internal controls operated within the Council by its staff • improve the efficacy of the regulations • clarify of budget management order or priority • use of 'best estimates' • tolerance in capital schemes	June 2026

PART 4 – RULES OF PROCEDURE
FINANCIAL REGULATIONS AND FINANCIAL PROCEDURES

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PART 4 – RULES OF PROCEDURE
FINANCIAL REGULATIONS AND FINANCIAL PROCEDURES

1 STATUS OF FINANCIAL REGULATIONS

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

PART 4 – RULES OF PROCEDURE

FINANCIAL REGULATIONS AND FINANCIAL PROCEDURES

2 FINANCIAL REGULATIONS

a) Financial Management

1. INTRODUCTION

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

2. THE COUNCIL

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

- 2.2 The Council is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its Committees.

3. THE COMMITTEES

- 3.1 The Strategy and Resources Committee is responsible for proposing the annual budget to the Council, and for discharging its own functions in accordance with that budget and framework.

- 3.2 Once approved, the Strategy and Resources ~~Services~~ Committee is responsible for the administration of the budget for the services set out in its Terms of Reference.

- 3.23.3 The Strategy and Resources Committee will ensure maintenance of the Medium-Term Financial Strategy (MTFS) with periodic updates during the year.

- 3.33.4 Committee decisions can be delegated to an officer or a sub-committee.

- 3.43.5 The Committees are responsible for establishing protocols to ensure that decisions take account of legal and financial liabilities and risk management issues that may arise from the decision.

- 3.6 The Performance, Governance and Audit Committee to seek assurance from the Director of Finance, Internal and External Auditors regarding the accuracy of the financial statements.

- 3.53.7 The Overview and Scrutiny Committee along with its major role in reviewing Best Value, has power to scrutinise decisions made, or action taken, in respect of any of the functions of the Council which have financial implications. It also has powers to make recommendations on future financial policy options and for reviewing the general financial policy and service delivery of the Council.

- 3.63.8 The Joint Standards Committee is established by the Council and is responsible for promoting and maintaining high standards of conduct amongst councillors. In

PART 4 – RULES OF PROCEDURE

FINANCIAL REGULATIONS AND FINANCIAL PROCEDURES

particular, it is responsible for advising the Council on the adoption and revision of the Members' code of conduct, and for monitoring the operation of the code.

4. THE STATUTORY OFFICERS

4.1 Head of Paid Service (Chief Executive)

4.1.1 He/she is responsible for the corporate and overall strategic management of the Council as a whole. He/she must report to and provide information for the Council, the Programme committees and other Committees. He/she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Head of Paid Service is also responsible, together with the Monitoring Officer (see 4.2 below), for the system of record keeping in relation to all the Council's decisions.

4.1.2 The Director of Legal and Governance is responsible for keeping the Council's corporate governance arrangements up to date.

4.2 Monitoring Officer (Director of Legal and Governance)

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

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

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

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

4.2.5 The Monitoring Officer (together with the Section 151 Officer (see below)) is responsible for advising the Committees or Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:

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

PART 4 – RULES OF PROCEDURE

FINANCIAL REGULATIONS AND FINANCIAL PROCEDURES

4.3 Section 151 Officer (Director of Finance)

4.3.1 The Director of Finance is the Section 151 Officer and has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The statutory duties arise from:

- a) Section 151 of the Local Government Act 1972;
- b) The Local Government Finance Act 1988;
- c) The Local Government and Housing Act 1989;
- d) The Accounts and Audit Regulations 2015;
- e) The Localism Act 2011.

4.3.2 The Section 151 Officer is responsible for:

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

Operational responsibility for these matters is assigned to the Director of Resources.

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

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

Section 114 of the 1988 Act also requires:

- a) the Section 151 Officer to nominate a properly qualified member of staff to deputise should he/she be unable to perform the duties under section 114 personally;
- b) the Council to provide the Section 151 Officer with sufficient staff, accommodation and other resources, including legal advice where this is necessary, to carry out the duties under section 114.

5. DIRECTORS

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

5.2 The Directors and the Chief Executive are responsible for signing contracts on behalf of the Council.

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

5.4 Directors are responsible for ensuring that services managers and Heads of Service appropriately plan and manage their budgets within approved limits (set within the February budget decisions of the Council).

5.5 That the Directors work with their service managers and Heads of Service to balance spending pressures across their directorate portfolios.

5.6 That Directors are required to pro-actively advise the Director of Finance of any significant financial plans in their areas of responsibility at the earliest opportunity.

6. OTHER FINANCIAL ACCOUNTABILITIES

6.1 Virement

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

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

6.2 Treatment of year-end balances

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

6.3 Accounting policies

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

6.4 Accounting records and returns

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

6.5 The Annual Statement of Accounts

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

6.5.16.5.2 Accounts are to be prepared in line with published statutory deadlines and/or backstop dates.

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b) Financial Planning

1. INTRODUCTION

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

- a) the revenue budget;
- b) the Medium-Term Financial Strategy (MTFS);
- c) the capital programme.

2. POLICY FRAMEWORK

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

2.42.2 The policy framework of the Council includes the Corporate Plan, the Asset Management Plan (AMP) and the Human Resources Strategy.

2.22.3 The Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework and for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework. The Monitoring Officer or the Section 151 Officer, as appropriate, should refer decisions to the Council.

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

2.42.5 Preparation of the Corporate Plan

2.4.12.5.1 The Director of Strategy and Improvement is responsible for proposing the Corporate Plan to the Council for approval.

3. BUDGETING

3.1 Budget format

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

3.2 Budget preparation

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

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3.3 Budget monitoring and control

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

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

3.3.3 Actions to be taken by Directors are expected to follow the following escalation route in managing budget pressures:

- 1) within a cost centre
- 2) between across cost centres
- 3) between services
- 4) escalation to Senior Leadership Team (SLT)
- 5) escalation to Director of Finance

3.4 Resource allocation

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

3.5 Preparation of the Capital Strategy

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

3.6 Guidelines

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

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

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4. MAINTENANCE OF RESERVES

4.1 It is the responsibility of the Director of Finance to advise the Strategy and Resources Committee on prudent levels of reserves for the Council.

4.2 Earmarked reserves and the prudent minimum level of general reserves should have clearly identified commitments or estimated use to justify them.

4.3 Reserves greater than the prudent minimum level of reserves which are not so committed can be applied to operational objectives.

4.4 Where uncommitted reserves exceed the Core Spending Power for the year, they may be regarded as 'excess' and possible application of them should be considered by the Strategy and Resources Committee.

4.5 Forecast levels of reserves must be reported quarterly to the Strategy and Resources Committee.

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c) Risk Management and Control of Resources

1. INTRODUCTION

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

2. RISK MANAGEMENT

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

3. INTERNAL CONTROL

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

- 3.4 The Internal Audit function exists to provide Officers and Members assurance regarding the adequacy of the risk management environment of the Council and the effectiveness of the controls and policies implemented in different service areas.

4. AUDIT REQUIREMENTS

- 4.1 The Accounts and Audit Regulations require every local Council to maintain an adequate and effective internal audit.
- 4.2 The Secretary of State for Communities and Local Government, via the Local Government Association has delegated the appointment of external auditors to each local authority to a body called Public Sector Audit Appointments Ltd (PSAA). The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by the Local Audit and Accountability Act 2014.

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- 4.3 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenues and Customs, which have statutory rights of access.

5. PREVENTING FRAUD AND CORRUPTION

- 5.1 The Director of Legal and Governance is responsible for the development and maintenance of an Anti-Fraud and Anti-Corruption Policy.

6. ASSETS

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

7. TREASURY MANAGEMENT

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

8. STAFFING

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

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d) Systems and Procedures

1. INTRODUCTION

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

2. GENERAL

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

3. INCOME AND EXPENDITURE

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

3.13.2 The scheme of delegation originates from Council decision making. The approval of budget proposals in February delegates responsibility for delivery of services to Directors in line with the corporate plan and local service plans to Directors, within the constraints of the approved net budget limits. It is expected that Directors delegate routine budget decisions to service managers and Heads of Service.

4. PAYMENTS TO EMPLOYEES AND MEMBERS

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

5. TAXATION

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

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6. TRADING ACCOUNTS

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

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e) External Arrangements

1. INTRODUCTION

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

2. PARTNERSHIPS

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

3. EXTERNAL FUNDING

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

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Appendix A

A. FINANCIAL MANAGEMENT PROCEDURES**A.1. FINANCIAL MANAGEMENT STANDARDS****1.1 Why is this important?**

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

A.1.2 Key controls

- 1.2.1 The key controls and control objectives for financial management standards are
- (a) their promotion throughout the Council;
 - (b) a monitoring system to review compliance with financial standards, and regular comparisons of performance indicators and benchmark standards that are reported to the Strategy and Resources and/or Performance, Governance and Audit Committees.

A.1.3 Responsibilities of the Director of Finance

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

A.1.4 Responsibilities of Chief Executive and Directors

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

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Appendix A**A.2. MANAGING EXPENDITURE****2.1 Scheme of Virement****2.1.1 Why is this important?**

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

A.2.2 Key controls**2.2.1 Key controls for the scheme of virement are:**

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

A.2.3 Responsibilities of the Director of Finance

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

A.2.4 Responsibilities of Directors

- 2.4.1 A Director, in consultation with the Director of Resources may exercise virement within the same directorate under his/her control for any amount. Virements between different directorates must be reported to the Strategy and Resources Committee. The authorisation limits are set out in **Appendix F**.
- 2.4.2 Amounts that require the approval of the Strategy and Resources Committee must specify the proposed expenditure and the source of funding and must explain the implications in the current and future financial years.
- 2.4.3 Virement that is likely to impact on the level of service activity of another Director should be implemented only after agreement with the relevant Director.
- 2.4.4 No virement relating to a specific financial year should be made after 31 March in that year.

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2.4.5 Where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that:

- a) the amount is used in accordance with the purposes for which it has been established;
- b) the Strategy and Resources Committee has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Strategy and Resources Committee.

2.4.6 Virements are not permitted in relation to asset charges or other budget headings which are outside the control of the Directors or where a proposal would adversely affect long term revenue commitments.

A.3. ACCOUNTING POLICIES

A.3.1 Why is this important?

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

A.3.2 Key controls

3.2.1 The key controls for accounting policies are:

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

A.3.3 Responsibilities of the Director of Finance

3.3.1 To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are informed by the CIPFA 'Code of Practice for Local Authority Accounting', and they are defined locally set-out in the Statement of Accounts. The accounts are prepared, which is prepared as at 31 March each year and published in May or June. The accounts, and covers such items as:

- a) income and expenditure;
- b) fixed assets;
- c) treatment of leasing;
- d) depreciation;
- e) charges to revenue;
- f) capital receipts;
- g) debtors and creditors;
- h) support services;
- i) pensions;
- j) government grants;

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- k) investments;
- l) reserves.
- m) Stocks
- n) Payments to local businesses, staff, and elected members of the council.
- o) Receipts and payments made in respect of the Council's role in collecting council tax and business rates in the Maldon District area.

A.3.4 Responsibilities of Chief Executive and Directors

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

A.4. ACCOUNTING RECORDS AND RETURNS

A.4.1 Why is this important?

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

A.4.2 Key controls

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

A.4.3 Responsibilities of the Director of Finance

- 4.3.1 To determine the accounting procedures and records for the Council. Where these are maintained outside his/her department, the Director of Finance should consult the Director concerned.
- 4.3.2 To arrange for the compilation of all accounts and accounting records under his/her direction.
- 4.3.3 To comply with the following principles when allocating accounting duties:
 - a) separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums from the duty of collecting or disbursing them;

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- b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
- 4.3.4 To make proper arrangements for the audit of the Council's accounts in accordance with the Accounts and Audit Regulations 2015.
- 4.3.5 To ensure that all claims for funds including grants are made by the due date.
- 4.3.6 To prepare and publish the audited accounts of the Council for each financial year, in accordance with the statutory timetable and with the requirement for the Audit Committee to approve the Statement of Accounts.
- 4.3.7 To administer arrangements for under-spending to be carried forward to the following financial year.
- 4.3.8 To ensure the proper retention of financial documents in accordance with the requirements set out in the Council's document retention guidelines.

A.4.4 Responsibilities of Chief Executive and Directors

- 4.4.1 To consult and obtain the approval of the Director of Finance before making any changes to accounting records and procedures.
- 4.4.2 To maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements.
- 4.4.3 To supply information required to enable the Statement of Accounts to be completed in accordance with guidelines issued by the Director of Finance.

A.5. THE ANNUAL STATEMENT OF ACCOUNTS

A.5.1 Why is this important?

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

A.5.2 Key controls

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

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Appendix A**A.5.3 Responsibilities of the Director of Finance**

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

A.5.4 Responsibilities of Chief Executive and Directors

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

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Appendix B

B. FINANCIAL PLANNING**B.1. PERFORMANCE PLANS****B.1.1 Why is this important?**

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

B.1.2 Key controls

- 1.2.1 The key controls for performance plans are:

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

B.1.3 Responsibilities of Chief Executive and Directors

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

B.2. BUDGETING**B.2.1 Format of the budget****2.1.1 Why is this important?**

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

B.2.2 Key controls

- 2.2.1 The key controls for the budget structure are:

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

B.2.3 Responsibilities of Chief Executive and Directors

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

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Appendix B

B.2.4 Revenue budget preparation, monitoring and control**2.4.1 Why is this important?**

2.4.1.1 Budget management ensures that once the budget has been approved by the Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account, managers responsible for defined elements of the budget.

2.4.1.2 By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual financial limit, approved when setting the overall budget. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the budget allocated to it.

2.4.1.3 For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service or policy area. However, budgetary control may take place at a more detailed level if this is required by the Directors scheme of delegation or by the Council.

B.2.5 Key controls

2.5.1 The key controls for managing and controlling the revenue budget are:

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

2.5.2 The monthly forecast of budget performance to the end of the year (for Officers) and the publication of quarterly reports of expected budget performance to year end (for Members) is based upon estimates of expected income and expenditure. All such estimates are to be based upon latest information and are to reflect a 'best estimate'. The 'best estimate' is defined as being the 'most likely' outcome.

2.5.3 A 'best' estimate is therefore not a preferred, feared, best-case or worst-case estimate, but the estimate 'from which the least change is expected'. This is consistent with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code definitions, which recommend use of 'best estimates' in preparing accounts where actual values are not available.

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Appendix B

B.2.6 Responsibilities of the Director of Finance

- 2.6.1 To establish an appropriate framework of budgetary management and control that ensures that:
- a) budget management is exercised within annual financial limits unless the Council agrees otherwise;
 - b) each Manager has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;
 - c) all officers responsible for committing expenditure comply with relevant guidance, and the financial regulations;
 - d) each directly controllable cost centre has a single named manager, determined by the relevant Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making process that commits expenditure;
 - e) significant variances from approved budgets are investigated and reported by budget managers regularly using best estimates (as described above).
- 2.6.2 To administer the Council's scheme of virement.
- 2.6.3 To submit reports to the Strategy and Resources Committee and to the Council, in consultation with the relevant Director, where a Director is unable to balance expenditure and resources within existing approved budgets under his/her control.
- 2.6.4 To prepare and submit reports on the Council's projected income and expenditure compared with the budget on a quarterly basis.
- 2.6.5 To approve fees and charges where the budgeted income is less than or equal to £2,000.

B.2.7 Responsibilities of Directors

- 2.7.1 To maintain budgetary control within their services, in adherence to the principles in 2.6.1, and to ensure that all income and expenditure is properly recorded and accounted for.
- 2.7.2 To ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.
- 2.7.3 To ensure that spending remains within the service's overall financial limit, and that individual budget headings are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.
- 2.7.4 To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and that it is operating effectively.

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- 2.7.5 To ensure prior approval by the Council or Committees (as appropriate) for new proposals, of whatever amount, that:
- a) create financial commitments in the current or future years;
 - b) change existing policies, initiate new policies or cease existing policies;
 - c) materially extend or reduce the Council's services.
- 2.7.6 To ensure compliance with the scheme of virement.
- 2.7.7 To agree with the relevant Director where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or another Director's level of service activity.

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

2.8.1 Why is this important?

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

B.2.9 Key controls

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

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B.2.10 Responsibilities of the Director of Finance

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

B.2.11 Responsibilities of Directors

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

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B.2.12 Resource allocation**2.12.1 Why is this important?**

2.12.1.1 ~~In the short term, a~~ mismatch often exists between available resources and ~~desirable required~~ resources. ~~By planning for more than one year (medium term planning) costs and investments can be planned across a longer period of time, spreading costs where otherwise they may become concentrated. A common scenario is that available resources are not adequate to fulfil need/desire.~~ It is therefore imperative that ~~needs/desires~~ objectives are carefully prioritised, taking account of the Council's legal responsibilities and that resources are allocated to meet the urgent priorities. Resources may include staff, money, equipment, goods and materials.

B.2.13 Key controls

2.13.1 The key controls for resource allocation are:

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

B.2.14 Responsibilities of the Director of Finance

2.14.1 To coordinate the Strategic and Financial Planning process to ensure that resources are devoted to the Council's stated priorities.

2.14.2 To advise on methods available for the funding of expenditure plans.

B.2.15 Responsibilities of Chief Executive and Directors

2.15.1 To deliver the Council's key objectives within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective and economic way.

2.15.2 To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

B.2.16 Capital programmes**2.16.1 Why is this important?**

2.16.1.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.

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2.16.1.2 The Government controls the financing capacity of the Council through the CIPFA Prudential Code. This means that capital expenditure should be integrated into the Council's Treasury Management Strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

B.2.17 Key controls

2.17.1 The key controls for capital programmes are:

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

B.2.18 Responsibilities of the Director of Finance

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

B.2.19 Responsibilities of Chief Executive and Directors

- 2.19.1 To comply with guidance concerning capital schemes and controls issued by the Director of Finance.
- 2.19.2 To prepare and submit quarterly reports jointly with the Director of Resources to the Strategy and Resources Committee on the the progress of the capital programme compared with the approved estimates.
- 2.19.3 To prepare regular reports reviewing the capital programme provisions for their services. In consultation with the Director of Resources, to obtain authorisation from the Strategy and Resources Committee and/or the Council for individual schemes where the estimated expenditure exceeds the capital programme provision by more than a specified amount (see **Appendix F**).
- 2.19.4 To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Director of Finance.

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- 2.19.5 To ensure that adequate records are maintained for all capital contracts.
- 2.19.6 To proceed with projects only when there is adequate provision in the capital programme.
- 2.19.7 To prepare and submit reports, jointly with the Director of Finance, to the Strategy and Resources committees, of any increase in contract costs in excess of the approved scheme and estimate, unless the excess can be met by virement from elsewhere within the capital programme. The authorisation limits for capital virements are set out in **Appendix F**.
- 2.19.8 To prepare and submit reports, jointly with the Director of Finance, to the Strategy and Resources Committee, where it appears that the final cost of a revenue or capital contract will exceed the approved contract sum by more than a specified financial limit (see **Appendix F**).
- 2.19.9 No leasing arrangements as defined by the Director of Finance shall be entered into without prior approval.

B.3. MAINTENANCE OF RESERVES

B.3.1 Why is this important?

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

B.3.2 Key controls

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

3.2.3 To report quarterly to the Strategy and Resources Committee the likely level of uncommitted reserves (general and earmarked) expected to be held at the end of the financial year.

B.3.3 Responsibilities of the Director of Finance

- 3.3.1 To advise the Strategy and Resources Committee and/or the Council on prudent levels of reserves for the Council.

B.3.4 Responsibilities of Chief Executive and Directors

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

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C. RISK MANAGEMENT AND CONTROL OF RESOURCES**C.1. RISK MANAGEMENT****C.1.1 Why is this important?**

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

C.1.2 Key controls

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

C.1.3 Responsibilities of the Director of Strategy and Improvement

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

C.1.4 Responsibilities of the Director of Finance

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

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C.1.5 Responsibilities of Chief Executive and Directors

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

C.2. INTERNAL CONTROLS**C.2.1 Why is this important?**

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

C.2.2 Key controls

- 2.2.1 The key controls and control objectives for internal control systems are:
 - a) key controls should be reviewed on a regular basis;

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- b) managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities;
- c) financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems;
- d) an effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guideline Guidance for Internal Auditors, CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom and with any other statutory obligations and regulations.

C.2.3 Responsibilities of the Director of Finance

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

C.2.4 Responsibilities of Chief Executive and Directors

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

C.3. AUDIT REQUIREMENTS

C.3.1 Internal audit

3.1.1 Why is this important?

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

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C.3.2 Key controls

3.2.1 The key controls for internal audit are:

- a) that it is independent in its planning and operation;
- b) the Audit Manager has direct access to the Director of Finance, all levels of management and directly to elected Members;
- c) Internal Auditors work towards complying with the UK Public Sector Internal Audit Standards (PSIAS), and effort is made to preserve objectivity by ensuring staff are free from conflicts of interest. Therefore as far as is practical, Internal Audit will not participate in the day to day operation of any systems of internal financial control.

C.3.3 Responsibilities of the Director of Finance

3.3.1 To ensure that internal auditors have the authority to:

- a) access Council premises at reasonable times;
- b) access all assets, records, documents, correspondence and control systems ;
- c) receive any information and explanation considered necessary concerning any matter under consideration;
- d) require any employee of the Council to account for cash, materials or any other asset under his/her control;
- e) access records belonging to third parties, such as contractors, when required;
- f) obtain direct access to the Strategy and Resources Committee and the Performance, Governance and Audit Committee.

3.3.2 To approve the annual audit plans, prepared by the Audit Manager, and present to the Performance, Governance and Audit Committee for their approval.

3.3.3 To prepare terms of reference for the internal audit function, for approval by the Performance, Governance and Audit Committee.

3.3.4 To ensure that effective procedures are in place to investigate promptly any fraud or irregularity.

C.3.4 Responsibilities of Chief Executive and Directors

3.4.1 To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.

3.4.2 To ensure that auditors are provided with any information and explanations that they seek in the course of their work.

3.4.3 To respond to internal and external audit reports in writing, within a timescale agreed by the appropriate Director and the Director of Finance or External Auditor, detailing the action intended to address any recommendations.

3.4.4 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

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- 3.4.5 To ensure that their staff report any suspicion of fraud, corruption or other financial irregularity in respect of Council funds, either directly, or via the Directors to the Director of Finance for investigation.
- 3.4.6 The Director of Finance must then arrange for appropriate investigation of the matter. The relevant Director must agree any further investigative action with the Director of Finance before proceeding.
- 3.4.7 The Director of Finance, in consultation with the relevant Director and the Monitoring Officer will advise whether any matter should be referred to the police for further investigation.
- 3.4.8 To ensure that the Director of Finance is given an opportunity, in a timely manner before live operation, to evaluate the adequacy of new systems for maintaining financial records, or records of assets, or changes to such systems.

C.3.5 External audit

3.5.1 Why is this important?

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

C.3.6 Key controls

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

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C.3.7 Responsibilities of the Director of Finance

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

C.3.8 Responsibilities of Chief Executive and Directors

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

C.4. PREVENTING FRAUD AND CORRUPTION**C.4.1 Why is it this important?**

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

C.4.2 Key controls

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

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- g) legislation including the Public Interest Disclosure Act 1998 is adhered to.

C.4.3 Responsibilities of the Director of Legal and Governance.

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

C.4.4 Responsibilities of the Director of Finance

- 4.4.1 To maintain adequate and effective internal control arrangements.

- 4.4.3 To ensure that all suspected irregularities are investigated, and all proven irregularities reported to the Monitoring Officer and Section 151 Officer.

C.4.5 Responsibilities of Chief Executive and Directors

- 4.5.1 To ensure that all suspected irregularities are reported to the Director of Finance

- 4.5.2 To instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

- 4.5.3 To ensure that where financial impropriety is discovered, the Director of Finance is informed. Where sufficient evidence exists to believe that a criminal offence may have been committed, after consultation with the Director of Finance, the Chief Executive or relevant Director will ensure that the Police are called in.

C.4.6 Responsibility of the Monitoring Officer

- 4.6.1 To maintain a register of interests.

C.5. ASSETS

C.5.1 Security

5.1.1 Why is this important?

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

C.5.2 Key controls

- 5.2.1 The key controls for the security of resources such as land, buildings, fixed plant machinery, equipment, software and information are:
- a) resources are used only for the purposes of the Council and are properly accounted for;
 - b) resources are available for use when required;
 - c) resources no longer required are disposed of in accordance with the law and the regulations of the Council so as to maximise benefits;

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- d) an asset register and an asset management plan is maintained for the Council, assets are recorded when they are acquired by the Council and this record is updated as changes occur with respect to the location, value and condition of the asset;
- e) all staff are aware of their responsibilities with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Act and software copyright legislation;
- f) all staff are aware of their responsibilities with regard to safeguarding the security of the Council's Information Communication Technology (ICT) Systems, including maintaining restricted access to the information held on them and compliance with the Council's Information Communication Technology and internet security policies.

C.5.3 Responsibilities of the Director of Finance

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

C.5.4 Responsibilities of Directors

- 5.4.1 A property database shall be maintained by the Director of Finance for all properties, plant and machinery and moveable assets currently owned or used by the Council subject to the minimum values specified in **Appendix F**. Any use of property by a service other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.
- 5.4.2 To ensure that lessees and other prospective occupiers of council owned land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the Council's legal advisor, has been established.
- 5.4.3 To ensure the proper security of all buildings and other assets under their control in accordance with laid down guidelines.
- 5.4.4 Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the Director and the Director of Finance (see **Appendix F**).
- 5.4.5 To pass title deeds to the Monitoring Officer who is responsible for maintaining the central repository of all title deeds.

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- 5.4.6 To ensure that no Council asset is subject to personal use by a Member or employee without prior agreement of the relevant Director.
- 5.4.7 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Council.
- 5.4.8 To ensure that an inventory is maintained of moveable assets (subject to limits in **Appendix F**) in accordance with arrangements defined by the Senior Leadership Team.
- 5.4.9 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- 5.4.10 To consult the Chief Executive in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 5.4.11 To ensure cash holdings on premises are kept to a minimum.
- 5.4.12 To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the Director of Neighbourhood Services and Communities as soon as possible.
- 5.4.13 To record all disposals or part exchange of assets that should normally be by competitive tender or public auction in accordance with **Contract Procedure Rules**, unless, the Strategy and Resources Committee agrees otherwise.
- 5.4.14 To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Council in some way.
- 5.4.15 To maintain inventories and record an adequate description of furniture, fittings, equipment, plant and machinery above a specified financial limit in value (see **Appendix F**).
- 5.4.16 To carry out an annual check of all items on the inventory in order to verify location and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers and cameras should be identified with security markings as belonging to the Council.
- 5.4.17 To make sure that property is only used in the course of the Council's business, unless the Director concerned has given permission otherwise.

C.5.5 Asset disposal**5.5.1 Why is this important?**

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

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C.5.6 Key controls

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

C.5.7 Responsibilities of the Director of Finance

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

C.6. TREASURY MANAGEMENT**C.6.1 Why is this important?**

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

C.6.2 Key controls

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

C.6.3 Responsibilities of Director of Finance – treasury management and banking

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

C.6.4 Responsibilities of Chief Executive and Directors – treasury management and banking

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

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C.6.5 Responsibilities of Director of Finance – investments and borrowing

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

C.6.6 Responsibilities of Directors – investments and borrowing

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

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

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

C.6.8 Responsibilities of the Director of Finance – imprest accounts

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

C.6.9 Responsibilities of Chief Executive and Directors – imprest accounts

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

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reimbursement of the float and change relating to purchases where an advance has been made.

C.7. STAFFING**C.7.1 Why is this important?**

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

C.7.2 Key controls

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

C.7.3 Responsibilities of the Director of Finance

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

C.7.4 Responsibilities of Chief Executive and Directors

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

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D. FINANCIAL SYSTEMS AND PROCEDURES**D.1. GENERAL****D.1.1 Why is this important?**

- 1.1.1 Services have systems and procedures relating to the control of the Council's assets. Services are reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
- 1.1.2 The Director of Finance is responsible for ensuring that the authority's financial systems are sound and should therefore be notified of any new developments or changes.

D.1.2 Key controls

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

D.1.3 Responsibilities of the Director of Finance

- 1.3.1 To make arrangements for the proper administration of the Council's financial affairs, including to:
- a) issue advice, guidance and procedures for officers and others acting on the Council's behalf;
 - b) determine the accounting systems, form of accounts and supporting financial records;
 - c) establish arrangements for audit of the Council's financial affairs;
 - d) approve any new financial systems to be introduced;
 - e) approve any changes to be made to existing financial systems.
- 1.3.2 To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.
- 1.3.3 To ensure that, where appropriate, computer systems are registered in accordance with Data Protection legislation and that staff are aware of their responsibilities under the legislation.

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D.1.4 Responsibilities of Chief Executive and Directors

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

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Appendix D**D.2. INCOME AND EXPENDITURE****D.2.1 Income****2.1.1 Why is this important?**

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

D.2.2 Key controls**2.2.1 The key controls for income are:**

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

D.2.3 Responsibilities of the Director of Finance

- 2.3.1 To agree arrangements for the collection of all income due to the Council and to approve the procedures, systems and documentation for its collection.
- 2.3.2 To approve all debts to be written off in consultation with the relevant Director and to keep a record of all sums written off up to the approved limit and to adhere to the requirements of the Accounts and Audit Regulations 2015.
- 2.3.3 To obtain the approval of the Strategy and Resources Committee in consultation with the relevant Director for writing off debts in excess of a specified financial limit (see **Appendix F**)
- 2.3.4 To ensure that appropriate accounting adjustments are made following write-off action.

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- 2.3.5 To order and supply to services all receipt forms, books or tickets and similar items and to satisfy himself/herself regarding the arrangements for their control.

D.2.4 Responsibilities of Directors

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

D.3. ORDERING AND PAYING FOR WORK, GOODS AND SERVICES**D.3.1 Why is this important?**

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

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D.3.2 General

- 3.2.1 Every Officer and Member of the Council has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with appropriate codes of conduct.
- 3.2.2 Official orders must be in a form approved by the Director of Finance. Official orders must be issued for all work, goods or services to be supplied to the Council, except for supplies of utilities, periodic payments, petty cash purchases or other exceptions specified by the Director of Finance.
- 3.3.3 Each order must conform to the guidelines approved by the Council on procurement Standard terms and conditions and must not be varied without the prior approval of the Director of Finance.
- 3.3.4 Apart from petty cash, the normal method of payment from the Council shall be by BACS drawn on the Council's bank account by the Director of Finance. The use of direct debit shall require the prior agreement of the Director of Finance. The use of Council procurement/business cards by non-card holders shall require the prior agreement of the Director of Finance.
- 3.3.5 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Council contracts, except where there is a specific Council policy to the contrary.
- 3.3.6 Detailed regulations relating to Procurement are set out in the Council's ***Contract Procedure Rules***.
- 3.3.7 Where an order is not appropriate as discussed in section 3.2.2, authorisation must be provided on the specified form and attached to the invoice for payment. Authorisation thresholds for Officers are set out in **Appendix H**.

D.3.3 Key controls

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

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- h) in addition, e-commerce requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

D.3.4 Responsibilities of the Director of Finance

- 3.4.1 To ensure that all the Council's financial systems and procedures are sound and properly administered.
- 3.4.2 To approve any changes to existing financial systems and to approve any new systems before they are introduced.
- 3.4.3 To approve the form of official orders and associated terms and conditions in consultation with the Council's legal advisors.
- 3.4.4 To make payments from the Council's funds on the Chief Executive or Director's authorisation that the expenditure has been duly incurred in accordance with financial regulations.
- 3.4.5 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- 3.4.6 To make payments to contractors on the certificate of the appropriate Chief Executive or Director, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- 3.4.7 To provide advice and encouragement on making payments by the most economical means, in accordance with the Council's Procurement Strategy and associated guidance.
- 3.4.8 To ensure that payment is not made unless a proper VAT invoice, where appropriate, has been received, checked and coded, confirming:
 - (a) that the invoice has not previously been paid;
 - (b) that expenditure has been properly incurred;
 - (c) that prices and arithmetic are correct;
 - (d) correct accounting treatment of tax;
 - (e) that discounts have been taken where available;
 - (f) that appropriate entries will be made in accounting records.
- 3.4.9 To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice, except where the original invoice has been lost, in which case a check must be made to see if payment has been made and if it has not the copy annotated accordingly prior to payment.

D.3.5 Responsibilities of Chief Executive and Directors

- 3.5.1 To ensure that official orders are issued via the e-procurement system for all goods and services, other than the exceptions as specified in 3.2.2.
- 3.5.2 To ensure that orders are only used for goods and services provided to the service. Individuals must not use official orders to obtain goods or services for their private use (see 3.3.5).

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- 3.5.3 To ensure that only staff authorised to raise orders (Buyers) via the e-procurements system have access to the system. To ensure that only staff authorised to approve orders above the specified limit have access to the system. Buyers and Approvers should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best Value principles should underpin the Council's approach to procurement. Value for money should always be achieved.
- 3.5.4 To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories if necessary.
- 3.5.5 To ensure that the e-payment system is updated to show the receipt of goods, immediately after the goods are received.
- 3.5.6 Wherever possible to ensure that two authorised members of staff are involved in the ordering and receiving process.
- 3.5.7 To encourage suppliers of goods and services to receive payment by the most economical means for the Council. It is essential, however, that payments made by direct debit have the prior approval of the Director of Finance.
- 3.5.8 To ensure that the service obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality. Due regard to be taken of the Council's procurement strategy and associated procurement guidance.
- 3.5.9 To ensure that employees are aware of the national code of conduct for local government employees specified in personnel policies.
- 3.5.10 To ensure that, loans, leasing or rental arrangements are not entered into without prior agreement from the Director of Finance.
- 3.5.11 To notify the Director of Finance of outstanding expenditure relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Director of Resources.
- 3.5.12 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Director of Finance the systems and procedures to be adopted in relation to financial aspects. This includes certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.
- 3.5.13 To notify the Director of Finance immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- 3.5.14 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention guidelines.

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Appendix D**D.4. PAYMENTS TO EMPLOYEES AND MEMBERS****D.4.1 Why is this important?**

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

D.4.2 Key controls

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

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

D.4.3 Responsibilities of the Director of Finance

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

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- 4.3.7 To ensure that the Director of Finance is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system (P11d).

D.4.4 Responsibilities of Chief Executive and Directors

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

D.4.5 Responsibilities of Members and Officers

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

D.5. TAXATION**D.5.1 Why is this important?**

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

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Appendix D**D.5.2 Key controls**

5.2.1 The key controls for taxation are:

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

D.5.3 Responsibilities of the Director of Finance

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

D.5.4 Responsibilities of Directors

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

D.6. TRADING ACCOUNTS AND BUSINESS UNITS**D.6.1 Why is this important?**

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

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D.6.2 General

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

D.6.3 Responsibilities of the Director of Finance

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

D.6.4 Responsibilities of Directors

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

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Appendix E**E. EXTERNAL ARRANGEMENTS****E.1. PARTNERSHIPS****E.1.1 Why is this important?**

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

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

E.1.2 General

1.2.1 The main reasons for entering into a partnership are:

- a) the desire to find new ways to share risk;
- b) the ability to access new resources;
- c) to provide new and better ways of delivering services;
- d) to forge new relationships.

1.2.2 A partner is defined as either:

- a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project or;
- b) a body whose nature or status give it a right or obligation to support the project.

1.2.3 Partners participate in projects by:

- a) acting as a project deliverer or sponsor, solely or in concert with others;
- b) acting as a project funder or part funder;
- c) being the beneficiary group of the activity undertaken in a project.

1.2.4 Partners have common responsibilities:

- a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;
- b) to act in good faith at all times and in the best interests of the partnership’s aims and objectives;
- c) be open about any conflict of interests that might arise;
- d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors;
- e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature;

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Appendix E

- f) to act wherever possible as ambassadors for the project.

E.1.3 Key controls

1.3.1 The key controls for Council partners are:

- a) if appropriate, to be aware of their responsibilities under the Council's financial regulations and procedures together with ***Contract Procedure Rules***;
- b) to ensure that risk management processes are in place to identify and assess all known risks;
- c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise;
- d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences;
- e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

E.1.4 Responsibilities of the Director of Finance

1.4.1 To advise on effective controls that will ensure that resources are not wasted.

1.4.2 To advise on the key elements of funding a project. They include:

- a) a scheme appraisal for financial viability in both the current and future years;
- b) risk appraisal and management;
- c) resourcing, including taxation issues;
- d) audit, security and control requirements;
- e) carry-forward arrangements.

1.4.3 To ensure that the accounting arrangements are satisfactory.

1.4.4 To maintain a register of all contracts entered into with external bodies.

1.4.5 To ensure that spending has occurred in line with the terms and conditions and any eligibility criteria.

E.1.5 Responsibilities of Chief Executive and Directors

1.5.1 To ensure that, before entering into agreements with external bodies the Council's legal advisors are consulted.

1.5.2 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared.

1.5.3 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Council.

1.5.4 To ensure that all agreements and arrangements are properly documented.

1.5.5 To provide appropriate information to the Director of Finance to enable a note to be entered into the Council's Statement of Accounts concerning material items.

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Appendix E**E.2. EXTERNAL FUNDING****E.2.1 Why is this important?**

- 2.1.1 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies provide additional resources to enable the Council to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Council's overall plan.

E.2.2 Key controls

- 2.2.1 The key controls for external funding are:
- a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood;
 - b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by the Council;
 - c) to ensure that any match-funding requirements and future revenue implications are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

E.2.3 Responsibilities of the Director of Finance

- 2.3.1 To ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- 2.3.2 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- 2.3.3 To ensure that audit requirements are met.

E.2.4 Responsibilities of Chief Executive and Directors

- 2.4.1 To ensure that all claims for funds are made by the due date.
- 2.4.2 To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.

E.3. WORK FOR THIRD PARTIES**E.3.1 Why is this important?**

- 3.1.1 Legislation enables the Council to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risk associated with this work is minimised and that such work is intra vires.

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E.3.2 Key controls

- 3.2.1 The key controls for working with third parties are:
- a) to ensure that proposals are costed properly in accordance with guidance provided by the Director of Resources;
 - b) to ensure that contracts are drawn up using guidance provided by the Director of Finance and that the formal approvals process is adhered to;
 - c) to issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

E.3.3 Responsibilities of Director of Finance

- 3.3.1 To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

E.3.4 Responsibilities of Chief Executive and Directors

- 3.4.1 To ensure that the approval of the relevant committee is obtained before any negotiations are concluded to work for third parties.
- 3.4.2 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Director of Finance
- 3.4.3 To ensure that appropriate insurance arrangements are made.
- 3.4.4 To ensure that the Council is not put at risk from any bad debts.
- 3.4.5 To ensure that no contract is subsidised by the Council.
- 3.4.6 To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- 3.4.7 To ensure that the service has the appropriate expertise to undertake the contract.
- 3.4.8 To ensure that such contracts do not impact adversely upon the services provided for the Council.
- 3.4.9 To ensure that all contracts are properly documented.
- 3.4.10 To provide appropriate information to the Director of Finance to enable a note to be entered into the Statement of Accounts.

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Appendix F

F. FINANCIAL LIMITS**F.1. General**

F.1.1 Throughout these regulations, there are references to financial limits. These limits will need to be reviewed on a regular basis and, consequently, the latest figures have been consolidated in this appendix in order to facilitate any future changes. The regulations which contain financial limits are listed below:

F.1.2 Virements between Directorates require the approval of the Strategy and Resources Committee subject to the authorisation limits set out below. For the purpose of virements, salaries are to be considered as a Directorate in their own right and are under the control of the Chief Executive.

F.1.3 The use of reserves is to be approved through the same authorisation process as virements where not approved as part of the annual budget or accounts processes or have specific delegation.

F.1.4 The financial limits for approval of revenue virements and revenue supplementary estimates are set out below:

(a) Virements within same Directorate

Relevant Director and Director of Finance

(b) Virements between different Directorates

- (i) Up to **£20,000** – Director and Director of Finance and reported quarterly to members via email.
- (ii) Over **£20,000** up to **£50,000** - Director, Director of Finance in consultation with relevant Committee Chairperson; and reported to the next Strategy and Resources Committee meeting;
- (iii) Over **£50,000** - the Strategy and Resources Committee.

(c) Supplementary Estimates

- (i) Up to **£20,000** – Director and Director of Finance in consultation with the Chairperson of the Strategy and Resources Committee and the Leader and reported to the next Strategy and Resources Committee;
- (ii) Over **£20,000** – the Strategy and Resources Committee.

NB One of the Council's budget policies is to only agree supplementary estimates in exceptional circumstances.

F.1.5 A capital scheme (an identifiable project) is where expenditure exceeds **£10,000**.

F.1.6 The financial limits for approval of capital virements and capital supplementary estimates are the same as for revenue.

F.1.7 Any excess expenditure over the approved contract sum of more than **510%** or **£10,000** whichever is the greater-lesser must be reported to the relevant committee (Appendix B paragraph 2.19.8).

F.1.8 The asset register shall contain all assets with a value in excess of **£10,000** (Appendix C paragraph 5.3.1).

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Appendix F

- F.1.9** All items with a value in excess of **£500** shall be included in inventories (Appendix C paragraph 5. 4.15). IT assets (laptops, monitors, printers etc but excluding IT peripherals) are an exception to this limit as are more desirable, and are all recorded on the IT inventory.
- F.1.10** Strategy and Resources Committee approval is required to declare land surplus to requirements where the value exceeds **£10,000** (Appendix C paragraph 5.4.4).
- F.1.11** Strategy and Resources Committee approval is required to write-off bad debts in excess of **£10,000** (Appendix D paragraph 2.3.3), in the case of Non-Domestic Rates Debts this is increased to **£20,000**.
- F.1.12** Strategy and Resources Committee approval is required to make ex-gratia payments in excess of **£2,000** (Appendix D paragraph 4.4.4).
- F.1.13** Finance limits relating to contracts are contained in the Council's ***Contract Procedure Rules***.

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Appendix G**G. BANK MANDATE**

- G.1. Cheques are only to be issued in emergencies and will be from the contingency cheque book.
- G.2. Cheques above £10,000 shall be countersigned by the Director of Finance or, in his/her absence, the Chief Executive.
- G.3. Amendments to cheques can be countersigned by the above and additionally the Lead Finance Specialist for cheques up to £10,000.
- G.4. Manual CHAPS payments shall be signed by any of the following:
- a) Director of Finance
 - b) Chief Executive
- G.5. All arrangements with the Council's financial institutions shall be made by the Director of Finance who shall be authorised to operate such banking accounts/investments/financial instruments as he/she may consider necessary.
- G.6. All cheques shall be ordered only on the authority of the Director of Finance or under arrangements made by him/her.
- G.7. All cheques shall be ensured are kept in safe custody by the Director of Resources until issue.
- G.8. All instructions relating to the Council's banking accounts, shall be authorised by the Director of Finance or Officers authorised by him or her.
- G.9. Payments may be made by BACS or CHAPS electronic transmission subject to two electronic signatures; and submission by an authorised card holder authentication. Responsibility for the delegation of authorisation below Director level and limits applicable is set by the Director of Finance.

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Appendix H

H. AUTHORISATION ARRANGEMENTS

Total Value	Category	Authorisation Level
Up to £5,000	Electronic Orders	<i>Authorised buyer</i>
£5,001 to £50,000	Invoice Authorisations, Electronic Order Approvals, Mileage and Expenses Claims	<i>Line Manager</i>
Above £50,001*	Invoice Authorisations and Order/Contract Approvals	<i>Chief Executive or Director</i>

* Note requirement for written contracts above £50,000 – See Section 13.7 of Contract Procedure Rules.

Definitions (as per Contract Procedure Rules)

Approved Buyer.....An Officer designated by a Director who is authorised to generate electronic orders on behalf of the Council.

Line ManagerAn *Officer* designated by the *Director* to exercise the role reserved to the line manager by the contract procedure rules, this will be a Level 2 Manager.

Director..... *The Chief Executive or one of five Directors*

Authorisation arrangements are as follows:

1. Delegation originates from Council decision making. The approval of budget proposals in February delegates responsibility for delivery of services in line with the Corporate Plan and local service plans to Directors, within the constraints of the approved net budget limits.
2. Officers are not required to seek subsequent authorisation from Members where the revenue budget delegation has already been made.
3. It is expected that Directors delegate routine budget decisions to service managers and heads of service within the framework of the budget decision.
4. Authorisation for expenditure approved within the budget is then progressed based on the following table... delegation matrix
5. Where the Council has not yet approved expenditure, then the virements and supplementary estimate procedures will apply.

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Appendix I

I. DELEGATIONS

I.1.4 Introduction

- 1.1.1. The Status of financial regulations section (Section one in this document) refer to Directors and Officers delegating their responsibilities per these financial regulations. Delegation should be given in writing, however there are instances where this isn't necessary or not possible due to sickness/leave. These delegations are only applicable where decisions/actions are required urgently, and the relevant officer is not available, and written delegation has not been made as not known required.
- 1.1.2. There are statutory delegations for statutory posts, the Monitoring Officer and Returning Officer, who have a Deputies. Written delegation is not required for these posts to act in the full capacity.

Finance Scheme of Delegation

- 1.1.3. This Finance Scheme of Delegation outlines officer delegation and details the power that council officers have to make decisions on spending and other finance issues across the council. The Scheme sets out approved financial limits within which authorised officers may conduct the council's business.
- 1.1.4. The scheme of delegation is one part of the Councils financial controls. Other key elements of financial controls include
- a) Councillor approval of the annual budget and financial strategy
 - b) regular financial reporting to Council to confirm that actual expenditure and income arising from Officers activities are following the plans set out in the budget approved by Councillors
 - c) the embedding of the authorization thresholds set out below in the Council's digital financial systems which, enable payments to be made, received and recorded
 - d) cyber security protecting the integrity of the Council's financial systems
 - e) separation between those allowed to proposed payments and those able to authorise those payments to be made
 - f) oversight and review of all payments and receipts to identify unusual items and investigate all relevant details of these

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DELEGATION MATRIX

Where procurement is required, relevant advice should be followed.

Where pay costs are affected, Human Resources advice should be followed.

In the absence of the required service Director, the approval of another Director should be obtained. In the absence of the Director of Finance (Chief Finance Officer (CFO)/s151), the approval of the Deputy s151 should be obtained.

1. General Expenditure^o

<u>Financial Limit</u>	<u>Authorised Officer</u>	<u>Conditions</u>
<u>Up to £50</u>	<u>Requesting Officer</u>	<u>Officers may proceed with expenditures where they are below £50 and within approved budget and procurement rules</u>
<u>£50 to £30,000</u>	<u>Budget Holder</u>	<u>Budget Holders may proceed with expenditures where they are within approved budget availability and within procurement rules.</u>
<u>£30,001 to £50,000</u>	<u>Director</u>	<u>Directors may proceed with expenditures where they are within approved budget availability and within procurement rules.</u>
<u>Over £50,000 (planned expenditure)</u>	<u>Director plus section 151</u>	<u>Directors may proceed with expenditures over £50,000 where they are within approved budget availability and within procurement rules (e.g. part of a contract approved by Council), after consultation with the Section 151</u>
<u>Over £50,000 (unplanned expenditure)</u>	<u>Full Council (on recommendation of Strategy and Resources Committee)</u>	<u>Where expenditures over £50,000 are not included within approved budgets they require approval of Council.</u>

2. Re-profiling of Capital Scheme Payments Between Financial Years

<u>Financial Limit</u>	<u>Authorisation</u>
<u>Below £500,000</u>	<u>Section 151 with notification to Strategy and Resources Committee</u>
<u>£500,000 and above</u>	<u>Strategy and Resources Committee recommendation to Full Council</u>

3. Capital Programme – New Schemes or Increases (supplementary estimates)

<u>Financial Limit</u>	<u>Authorised Officer</u>	<u>Conditions</u>
<u>Below £50,000</u>	<u>Director</u>	<u>Approval of Section 151 Officer; Reported to Strategy and Resources Committee</u>
<u>£50,000 and above</u>	<u>NA</u>	<u>Formal Full Council approval</u>
<u>Prudential borrowing increase</u>	<u>Full Council</u>	<u>Council approval required</u>

^o "General expenditure" includes revenue pay and non-pay, capital, Officer and Member travel and expenses, and similar expenditure items routinely incurred by the Council, unless specifically set out in the paragraphs below.

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4. Submission of External Funding Bids

<u>Type</u>	<u>Authorised Officer</u>	<u>Conditions</u>
<u>Competitive bids</u>	<u>Director</u>	<u>Must follow governance and grant protocols</u>
<u>Direct grant allocations</u>	<u>Director</u>	<u>Approval of Section 151 Officer</u>

5. Asset Leasing

- 5.1 All proposed leasing arrangements must be appraised and approved by Corporate Finance prior to approval.

6. Treasury Management

- 6.1 Treasury management is the day-to-day management and forward planning of the council's cashflow. It is governed by the Treasury Management Strategy approved each February by Full Council, including selection of counterparties, maturities, and risk management. The Treasury Management Strategy is prepared with regard to sectoral advice on best practice (CIPFA).
- 6.2 The Section 151 Officer is responsible for treasury management. No other officers may borrow or invest funds unless formally delegated by the S151. There are no separate thresholds for treasury transactions as these are managed within the strategy through the definition of counterparties.
- 6.3 Treasury Management activity is also undertaken with the support of external, independent advisors who are able to support the S151 and provide relevant specialist advice.

7. Disposal of Assets (excluding Land and Property)

<u>Asset Value</u>	<u>Authorised Officer</u>	<u>Conditions</u>
<u>Up to £5,000</u>	<u>Head of Service</u>	<u>In accordance with disposal guidance and Asset Management Plan</u>
<u>£5,001–£50,000</u>	<u>Director</u>	<u>Consult as required</u>
<u>Over £50,000</u>	<u>Strategy and Resources Committee</u>	<u>Committee and Section 151 Officer</u>

8. Compensation Payments

<u>Payment Level</u>	<u>Authorised Officer</u>
<u>Up to £500</u>	<u>Head of Service</u>
<u>£500–£5,000</u>	<u>Director and Monitoring Officer</u>
<u>£5,000–£10,000</u>	<u>Chief Executive and Monitoring Officer</u>

9. Fees and Charges

- 9.1 All new fees and changes to existing fees must be approved through the Budget and Policy Framework. Officers may not vary fees outside this process.
- 9.2 Fees and Charges levels may be varied within the year with the agreement of Strategy and Resources Committee and the approval of full council, subject to provision of a clear rationale for doing so.

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10. Write-off of Income

10.1 Authorisation levels for writing off income are also set out in the Corporate Debt Strategy. All written off debt should be allocated to one of the following categories:

1. Unrecoverable (bad) debt

1.1 The debtor has absconded and despite attempts to locate the debtor, their current address is unknown

1.2 The debtor resides outside the UK and is unlikely to return.

1.3 The debtor has been declared bankrupt/ insolvent and the debt in question forms part of the insolvency proceedings

1.4 A company that has ceased trading

1.5 The debtor has died and there is insufficient equity in the estate to cover the debt

2. Pursuit is not justified (uneconomic, inefficient)

2.1 A small balance outstanding (less than £50).

2.2 A balance outstanding where the expenses of recovery in terms of fees, staff time and other charges, balanced against the likelihood of recovery (including all additional expenses and charges) outweigh the prospect of full or partial success.

2.3 Where enforcement of the debt involves an arguable point of law and for that reason enforcement action could fail, with the imposition of costs or charges upon the Council.

3. Where the debtor is vulnerable or where pursuit of the debt would be seen as contrary to natural justice

<u>Write off Level</u>	<u>Authorised Officer</u>
<u>Sundry debt (incl. fees and charges)</u>	
<u>Up to £250</u>	<u>Head of Service</u>
<u>£500–£5,000</u>	<u>Director</u>
<u>£5,000–£10,000</u>	<u>Director and s151 and inclusion in the next finance report to Committee</u>
<u>Over £10,000</u>	<u>Strategy and Resources Committee</u>
<u>Council Tax debt</u>	
<u>Up to £10,000</u>	<u>Head of Service with inclusion in the next Committee report</u>
<u>Over £10,000 but below £20,000</u>	<u>CFO/s151 with inclusion in the next finance report to Committee</u>
<u>Over £20,000</u>	<u>Strategy and Resources Committee</u>
<u>Business Rates debt</u>	
<u>Up to £20,000</u>	<u>Head of Service with inclusion in the next Committee report</u>
<u>Over £20,000</u>	<u>Strategy and Resources Committee</u>

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11. Budget Virements

<u>Virement Level</u>	<u>Authorised Officer</u>
<u>Up to £25,000</u>	<u>Head of Service, notification to s151</u>
<u>£25,001–£50,000</u>	<u>Director, notification to s151</u>
<u>£50,000+</u>	<u>Strategy and Resources Committee</u>

12. Insurance Claims and Related Payments

<u>Claim Amount</u>	<u>Authorised Officer</u>
<u>Up to £500</u>	<u>Deputy s151</u>
<u>£500–£100,000</u>	<u>S151 + another director; to be reported to next Strategy and Resources Committee</u>

13. Emergency or Unplanned Urgent Payments

<u>Payment Level</u>	<u>Authorised Officer</u>
<u>Individual payments up to £10,000</u>	<u>Emergency planning team ('Bronze')</u>
<u>£10,000 to £50,000</u>	<u>Director ('Gold' command)</u>
<u>Over £50,000 (emergency response phase)</u>	<u>Director with 151 / Deputy 151 visibility (if 'Gold' director is Director of Finance, the visibility is to be with the Chief Executive or Director of Legal and Governance)</u>
<u>Over £50,000 (emergency recovery phase or other unplanned urgent payments)</u>	<u>Strategy and Resources Committee, or Director of Finance / Chief Executive in consultation with the Chairperson of the Strategy and Resources Committee</u>

Matters Arising from previous meetings of the Performance, Governance and Audit Committee

Meeting Date	Minute No.	Item (Title of Report)	Action	Lead Officer	Response / Update
16-Jul-26		Matters Arising	Regarding the action relating to installation of a green roof in Burnham-on-Crouch, the Chairperson requested that the matter be referred to the Environmental and Sustainability Working Group, particularly the suggestion to explore options other than a green roof to attract wildlife, such as planting an area of buddleia plants within Riverside Park	Director of Neighbourhood Services and Communities	The Environmental and Sustainability Working Group will be asked to consider this matter and explore a range of options to enhance biodiversity and attract wildlife within Riverside Park, including but not limited to the planting of buddleia and other wildlife-friendly species. Any proposals arising from this work will be considered through the appropriate governance processes.
16-Jul-26		Matters Arising	Reference was made to the Members' dashboard, which provided details of Key Performance Indicators (KPIs) and the data underpinning them. In response to a request for additional information that would indicate whether an area was on track or moving towards excellence, the Chairperson requested that an item relating to this be brought back to the next meeting of the Committee.	Chief Executive / Head of Performance, Improvement and LGR	Changes have been made to the report layout which include a summary dashboard further to a meeting with Head of Performance, Improvement and LGR / Chief Executive
16-Jul-26		Matters Arising	Confirmation was sought as to whether the briefing note from the Director of Finance setting out the basis of the fee scale, charges and the method by which additional charges were applied had been circulated. In response, the Director advised that he understood it had been circulated but would ensure the briefing note was recirculated to Members.	Director of Finance	Confirmed that briefing note was sent to Members on 30 June 2026. Briefing note was recirculated to Members (via email) on 17 July 2026.

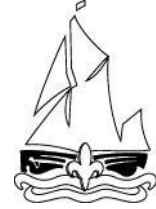
Matters Arising from previous meetings of the Performance, Governance and Audit Committee

Meeting Date	Minute No.	Item (Title of Report)	Action	Lead Officer	Response / Update
16-Jul-26		Internal Audit Reports - IT Governance Final Report (April 2026)	The Chief Executive advised that Officers were progressing a procurement process for a new IT system within the Council Chamber which included microphones and that further information would be provided to Members when available.	Chief Executive / Director of Strategy and Improvement	Options have been presented to the Senior Leadership Team with accompanying demonstrations of the equipment being used by other Councils. The preferred option, based on functionality, cost, and improvements, has been shared with the Leader and Chairman of the Council and a briefing scheduled with the Process Improvement Champions Working Group (Councillors N D Spenceley and M E Thompson) on 3 September 2026. Replacement commenced over the summer period, including improvements made to the décor, and full completion is due week commencing 5 October 2026.
16-Jul-26		Internal Audit Reports - IT Governance Final Report (April 2026)	It was queried why the Council had stopped using Member nameplates. In response, the Chairperson requested that these be reinstated and made available at each meeting for Members to collect upon entering the chamber.	Committee Services / Facilities Team	Actioned

Matters Arising from previous meetings of the Performance, Governance and Audit Committee

Meeting Date	Minute No.	Item (Title of Report)	Action	Lead Officer	Response / Update
16-Jul-26		Internal Audit Reports - Accounts Payable Final Report (June 2026)	In response to a question, the Director of Finance advised that target implementation date for the recommendation was 31 October 2026. He agreed to provide feedback to Members on progress made against the recommendation and would take forward Members' comments regarding the need to undertake regular checks to identify duplicate accounts and ensure that no payments were being in error.	Director of Finance	Work to review the supplier master file and identify records that are inactive, duplicate or obsolete is ongoing. The target date for full completion remains 31 October 2026 due to the volume of data to work through. Supplier details on each weekly payment run continue to be verified and checked to ensure the correct accounts are being used for payments.

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REPORT of DIRECTOR OF FINANCE

to
PERFORMANCE GOVERNANCE AND AUDIT COMMITTEE
17 SEPTEMBER 2026

EXTERNAL AUDIT: BUILDING BACK ASSURANCE

1. PURPOSE OF THE REPORT

- 1.1 The Committee is aware of the national situation regarding external audit of local government, whereby there are currently significant numbers of council sets of accounts which are unsigned or 'disclaimed'. Maldon has had disclaimed opinions since 2021/22. This report from KPMG (External Auditors) sets out the approach being taken to returning Maldon District Council (MDC) to an unmodified opinion.

2. RECOMMENDATIONS

That the Committee:

- (i) notes the outcomes of the risk assessment for MDC undertaken by KPMG (a 'B' rating in the range A-D)
- (ii) notes the impact of that in terms of the timetable for returning to an unmodified audit opinion by November 2027
- (iii) notes the indicative fee arising

3. SUMMARY OF KEY ISSUES

Current position

- 3.1 External audit opinions are grouped into three categories
- Disclaimed – meaning that the auditor has been unable to form an opinion of the accounts of the audited body. This is effectively a 'nil' response.
 - Qualified (sometimes called modified) – meaning that the auditor has been able to undertake sufficient work form an opinion of the accounts and is able to give a positive opinion overall 'except for' certain aspects. In other words, the overall opinion is 'qualified' by some matters.
 - Unmodified (sometimes called unqualified) – meaning that the auditor has undertaken sufficient work to be able to form an opinion and that opinion is a positive one which can be made without any qualification.
- 3.2 For a range of reasons already reported to and discussed by the Committee, the number of 'disclaimed' opinions reported in recent years has increased substantially. This is recognised as an unsatisfactory state of affairs, and government is working with the audit sector to identify a process whereby the accounts of local government

can return to being substantially unmodified (unqualified). This process is referred to a 'rebuilding assurance', or sometimes 'build-back'.

- 3.3 The attached report from KPMG (**APPENDIX 1**) sets out how this is proposed to be undertaken at MDC.
- 3.4 The report includes:
 - 3.4.1 Page 3: Feedback 2025/26 audit process which included completion of the rebuilding assurance risk assessment process undertaken with the Ministry of Housing, Communities and Local Government (MHCLG).
 - 3.4.2 Page 3: The associated costs (estimated in the range of £98,000 to £110,000). This is chargeable in addition to the scale fee (plus additional costs on the main audit) estimated for the year at £182,000. It is understood that MHCLG will be providing funding for this although the value has not yet been confirmed.
 - 3.4.3 Page 5: The expected timetable for rebuilding assurance at MDC (2024/25 accounts received a 'disclaimed' opinion; it is expected that a 'qualified' opinion can be secured as the outcome of the audit of the 2025/26 accounts, and an 'unmodified' opinion can be secured as a result of the audit of the 2026/27 accounts).
 - 3.4.4 Page 6: The feedback on the MHCLG capacity assessment. This defined categories A-D where 'A' rated councils are expected to return to unmodified opinions more quickly, 'B' rated councils are expected to achieve this but over a longer period, 'C' rated councils are not expected to secure unmodified opinions by the end of the audit of the 27/28 accounts, or 'D' rated councils which are not expected to return to unmodified opinions at all. Maldon District Council is rated at 'B' on the basis of more than three years of disclaimed opinions. Feedback from other Essex Councils indicates that around 30% of councils are rated at 'B' (including Maldon) while some are at 'C'.
- 3.5 The principle focus of the work required to secure the unmodified opinion is to fully track (reconcile) the final balance sheet position as at 31 March 2021 (the last year for MDC with an unmodified opinion) back the final balance sheet position at 31 March 2027. This requires ensuring both the arithmetical consistency of these and intervening balance sheet positions as well as the compliance with proper accounting rules throughout.
- 3.6 Government has previously indicated that funding may be provided against some of these costs, but that has not yet been confirmed.

4. CONCLUSION

- 4.1 This is report from KPMG sets out the timetable for the rebuilding of assurance and return to unmodified audit opinions. Some of the content has been presented previously, but this report brings together previous information and the update on the risk assessment work.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2026 - 2028

5.1 Delivering good quality services.

- 5.1.1 Strong financial management which is compliant with proper accounting principles and rules provide assurance to residents that the council is well led and well managed.

6. IMPLICATIONS

- (i) **Impact on Customers** – The Council is funded by taxpayers. It has a legal duty to provide a complete account of how it spends the money received. The statement of accounts and the audit review of them is the principle means by which this duty is fulfilled.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk (including Fraud implications)** – Ensuring proper accounting throughout helps reduce the risk of error and misstatement within the accounts as well as providing safeguards against fraud.
- (iv) **Impact on Resources (financial)** – The current expectation is that the audit fees for the year will amount to £250,000. This report from KPMG indicates that the actual costs may now be higher – around £280,000-£300,000 – depending on the progress made against the objectives set out in the report. The council will be obliged to pay this amount. There may be a grant receivable from government to reduce the net impact on local taxpayers, but that is not yet confirmed.
- (v) **Impact on Resources (human)** – This work will be absorbed within the existing finance team.
- (vi) **Impact on Devolution / Local Government Reorganisation** – Securing an unmodified opinion for the 2026/27 accounts by the backstop date of November 2027 would provide substantial assurance of the accuracy of the financial position at Maldon Council ahead of reorganisation into a new unitary authority.

Background Papers: None.

Enquiries to: Ben Jay, Director of Finance.

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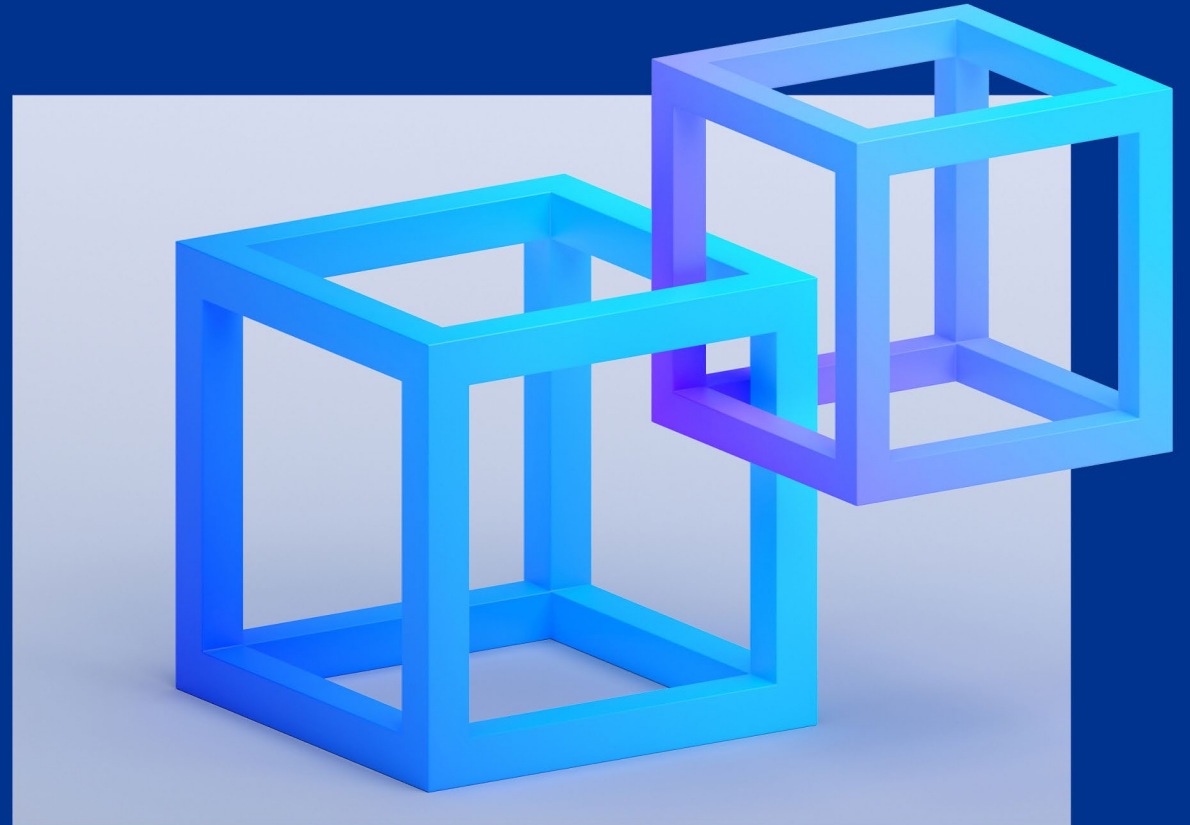
Maldon District Council

Report to the Performance, Governance and
Audit Committee

Rebuilding assurance update

For the year ending 31 March 2026

July 2026



Introduction

To the Performance, Governance and Audit Committee of Maldon District Council

We are pleased to have the opportunity to meet with you to discuss our audit of the financial statements of Maldon District Council, as at and for the year 31 March 2026 and in particular the results from our Rebuilding Assurance risk assessment

We provide this report to you in advance of the meeting to allow you sufficient time to consider the key matters and formulate your questions.

This report should be read in conjunction with our External Audit Plan and Strategy for the year ended 31 March 2026, which was presented to the Performance, Governance and Audit Committee on 4th June 2026. In that report we referred to our work in completing our Rebuilding Assurance Risk Assessment. This report provides further information in respect of our work.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when:

- An audit is executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls; and

All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We depend on well-planned timing of our audit work to avoid compromising the quality of the audit. This is also heavily dependent on receiving information from management and those charged with governance in a timely manner.

We are committed to providing you with a high-quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Emma Larcombe (Emma.Larcombe@KPMG.co.uk), the engagement lead for the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler (tim.cutler@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can raise your complaint as per the following process [Complaints](#).

Restrictions on distribution

This report is intended solely for the information of those charged with governance of the Maldon District Council and the report is provided on the basis that it should not be distributed to other parties; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

Rebuilding assurance

Background

The Government introduced measures to resolve the legacy local government financial reporting and audit backlog. In 2024, amendments were made to the Accounts and Audit Regulations and NAO's Code of Audit Practice which introduced the requirement for audit reports in respect of any open, incomplete audits up to the period ending 31 March 2023 to be published by 13 December 2024. It also introduced a statutory backstop date of 28 February 2025 and 27 February 2026 for the 2023/24 and 2024/25 audits, respectively.

Guidance has been developed to help support appropriate audit procedures for audits where further work is required to build back assurance. In addition to the Local Audit Reset and Recovery Implementation Guidance (LARRIGs) published in 2024 by the NAO, further guidance has also been published by the NAO: LARRIG 06 – Special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions (e.g. reserves balances where a disclaimer has previously been issued). We note the LARRIGs are prepared and published with the endorsement of the Financial Reporting Council (FRC) and are intended to support the reset and recovery of local audit in England.

For the Council, this had the impact of disclaimer of opinion issued by your predecessor auditor for two financial years up to and including 2022/23. We then issued a disclaimer of opinion for 2023/24 on 26 February 2026 to comply with the statutory backstop date as reported to you previously. For the 2024/25 audit we issued a disclaimer of opinion on 26 February 2026.

We note that the Ministry of Housing, Communities and Local Government (MHCLG) has written to all impacted bodies and audit firms (November 2025) to request a brief assessment of each body's capacity to support the build-back audit process once the build-back risk assessment is complete.

The 2025/26 audit

As part of the 2025/26 audit, we have completed our rebuilding assurance risk assessment which included:

- Inquiries regarding changes to the Authority during the disclaimed period.
- Considering the disclaimed period and associated reporting including the statement of accounts, Annual Governance Statements, findings from the disclaimed period audits and any findings from the Section 151 officer in their assessment that the financial statements present a true and fair view.

- Reconciling the planned movement in reserves from budget setting, in-year monitoring and outturn reports and documenting our understanding of planned usage and changes in reserves over the disclaimed period.
- Considering the processes over capital additions/disposals.
- A balance sheet financial statement caption by caption assessment of the movement over the disclaimed period overlaid with findings from other risk assessment procedures to determine the appropriate testing strategy to remove the risk of material misstatement in line with the LARRIGs.

As a result of the risk assessment, we have designed an appropriate response to address the risks identified and the audit year we will complete the work. This is set out on page 4 of this report.

We have also included an appendix (pages 5-6) with key elements of the MHCLG capacity assessment requested by MHCLG. We note this includes a categorisation of your audit as requested by MHCLG. The categories identified by MHCLG are:

- A - audits expected to be relatively straightforward and able to sustain an ISA-compliant approach without significant difficulty.
- B - audits that are in theory capable of supporting an ISA-compliant approach, but where significant operational difficulties are likely
- C - the audited entity has adequate systems to provide the necessary evidence in principle, but practical constraints mean that ISA-compliant build-back is unlikely by the end of 2027/28
- D – major systemic problems with financial management, governance or accounting systems.

Fee

- We note our fees for the risk assessment phase of work are £50k
- We estimate the fees for the substantive phase to be in a range of £48k-£60k.

We note our fees are subject to fee assumptions set out in our External Audit Plan and Strategy. We also note our fees will be subject to the PSAA fee variation process and PSAA approval.

MHCLG has announced grant funding for audit build-back.

Rebuilding assurance: Risk assessment results

LARRIG 06 sets out guidance to auditors of English local authorities in circumstances where the auditor's opinion on the prior year financial statements has been disclaimed because of backstop arrangements included in the Accounts and Audit (Amendment) Regulations 2024. Specifically, its purpose is to assist auditors in the process of rebuilding assurance for specific classes of transactions, account balances, and disclosures that warrant special consideration beyond the general principles set out in LARRIG 05.

Specifically, we have completed the following risk assessment procedures:

- Entity and process level risk assessment procedures;
- Review of Statements of Accounts from disclaimed years;
- Review of predecessor auditor's file, where necessary;
- An assessment of the revenue budget setting and monitoring, including reserves, and capital during the disclaimed period; and
- Inquiries regarding changes to the Authority during the disclaimed period.

The risk assessment has identified risks of material misstatement. We need to complete procedures to address these risks. The table below identifies the risks of material misstatement, the procedures to address them and the likely audit year in which we will complete the work.

#	Risk of material misstatement identified	Procedures to address the risk of material misstatement	Audit year we have planned the procedures *
1	Revaluation of Land and Building	Council is planning to conduct the revaluation of 70-80% of asset portfolio and apply indexation on remaining assets.	2025/26
2	Accuracy of opening balance of provision, debtors and creditors	Sample testing of opening balances of provision, debtors and creditors carrying forward from disclaimed audit period which were not reversed in 2024/25	2025/26
3	Accuracy of Capital Grants Unapplied Accounts	Sample test the Capital Grants received during the disclaimed period and confirm the consistency of the use of the capital grants to finance Capital Expenditure.	2025/26
4	Accuracy of General Funds	Perform consistency test & perform required procedures on transfers to & from earmarked reserves.	2025/26
5	Accuracy of Unusable Reserves	Perform consistency test & perform required procedures on adjustments made to & from unusable reserves	2025/26

* This is subject to the Authority providing the required information in a timely manner.

MHCLG – Capacity assessment template

We have included below and overleaf key elements of the capacity assessment as requested by MHCLG (Categories as per page 3).

Expected timing of build-back work

	Audit area	Audit for the year ending 31 March						Unable to rebuild	
		2025	2026	2027	2028	2029	Later	Cat C	Cat D
	Risk assessment	✓			Affected by Local Government re-organisation			N/A	N/A
	Statutory reserves		✓	✓				N/A	N/A
	Property assets		✓					N/A	N/A
	Long-term debtors and creditors		✓					N/A	N/A
	Capital Grants		✓						
	Other audit work		✓					N/A	N/A

Expected audit opinions

	Audit area	Audit for the year ending 31 March						Unable to rebuild	
		2025	2026	2027	2028	2029	Later	Cat C	Cat D
	Transfer to qualified opinion		✓		Affected by Local Government re-organisation			N/A	N/A
	Transfer to unmodified opinion			✓				N/A	N/A

MHCLG – Capacity assessment template

Overall assessment

The categories below are those MHCLG has described and requested for categorisation.

Audits that **are capable** of supporting an ISA-compliant approach to return to an unmodified opinion within the build-back period (up to and including audit year 2027/28):

A - audits expected to be relatively straightforward and able to sustain an ISA-compliant approach without significant difficulty.

B - audits that are in theory capable of supporting an ISA-compliant approach, but where significant operational difficulties are likely, e.g. inability to obtain some key records or evidence of the operation of some key controls, or where the audited body needs to re-establish the internal mechanisms to support the audit process.

- Difficulty obtaining evidence such as key documents, evidence of operation of key controls, or explanations of historic transactions
- Complex arrangements such as subsidiaries, joint ventures or specialised assets
- Scale of the audit work required, e.g. due to number of years outstanding
- Constraints on auditor's capacity.

Audits that are **not capable** of supporting an ISA-compliant approach by the end of the build-back period (up to and including audit year 2027/28)

C - the audited entity has adequate systems to provide the necessary evidence in principle, but practical constraints mean that ISA-compliant build-back is unlikely by the end of 2027/28. Practical constraints may relate to accessibility of evidence, organisational capacity, or the scale and complexity of the audit.

D – major systemic problems with financial management, governance or accounting systems. There are pervasive weaknesses in systems of financial reporting and internal control such that the auditor judges the conditions do not exist for an ISA-compliant audit to be completed in the foreseeable future.

We have categorised your audit as Category B, our reason for assessment is:

Reason of assessment

The main reasons for our assessment as against the MHCLG categories are:

The number of disclaimed years as the disclaimed period is three years which increases the scale & scope of work required

Significant technical challenges, in particular:

- Statutory reserves, given the number of years disclaimed
- Asset valuation, as it was desktop valuation in previous year



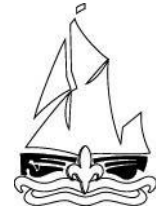


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REPORT of CHIEF EXECUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
17 SEPTEMBER 2026

CORPORATE PERFORMANCE – QUARTER 1

1. PURPOSE OF THE REPORT

- 1.1 The Corporate Performance framework requires this Committee to undertake a quarterly review of the corporate plan performance as assurance that it is being managed effectively to achieve the corporate priorities as set out in the Council's Corporate Plan 2025 – 2028.
- 1.2 **APPENDIX 1** to this report provides an overview of the corporate plan performance as of the end of Quarter 1 (April to June 2026).

2. RECOMMENDATIONS

- (i) That Members review the information as set out in this report and **APPENDIX 1** with focus given to the Strategic Priority level performance.
- (ii) That Members confirm they are assured through this review that corporate performance is being managed effectively.

3. SUMMARY OF KEY ISSUES

- 3.1 Following the adoption of the Corporate Plan 2025 –2028 in December 2024 a full review of the Corporate Performance reporting has taken place. This has resulted in a new look and feel of the report, as well as a new aligned suite of performance indicators.
- 3.2 Indicators are classified into groupings to give further definition as to the type of indicator (Measure v Deliverable) and the responsibility that Maldon District Council has over the performance trajectory (Control v Influence).
- 3.3 An end of year review has been completed for the indicators, in line with previous years to ensure effective performance monitoring; all associated changes have been implemented as part of the Quarter 1 performance cycle and can be seen in **APPENDIX 1**
- 3.4 Any concerns affecting the corporate priorities are set out in **APPENDIX 1** at priority level, with all supporting data evidencing the priority performance illustrated thereafter.

- 3.5 Overall performance delivery of the corporate plan is progressing as expected for quarter 1, with all 44 measures reporting as 'Ontrack' (100%).



4. CONCLUSION

- 4.1 All performance measures are reporting as Ontrack, illustrating good corporate performance for Quarter 1.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

- 5.1 It is important that performance is monitored and managed effectively, to ensure that Maldon District Council progresses towards and/ or achieves the priorities.

6. IMPLICATIONS

- (i) **Impact on Customers** – Performance management covers the monitoring of corporate priorities. The Corporate Plan includes delivery for our customers.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk (including Fraud implications)** – If performance is not managed effectively by the Council, it puts the Council's corporate priorities delivery at risk and increases unnecessary exposure to potential, operational, reputational, or regulatory consequences.
- (iv) **Impact on Resources (financial)** – All performance management is undertaken within existing planned budgets.
- (v) **Impact on Resources (human)** – All performance management is undertaken within existing planned budgets.

- (vi) **Impact on Devolution and Local Government Reorganisation** – If performance is not managed effectively by the Council, it puts the Councils strategic delivery at risk and increases unnecessary exposure to potential, operational, reputational, or regulatory consequences.

Background Papers: None.

Enquiries to: Doug Wilkinson, Chief Executive.

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Corporate Performance Reporting

Data Period: Quarter 1 2026/27

Report Updated: August 2026

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'Where Quality of Life Matters'



MALDON
DISTRICT COUNCIL

Priority & Indicator Overview

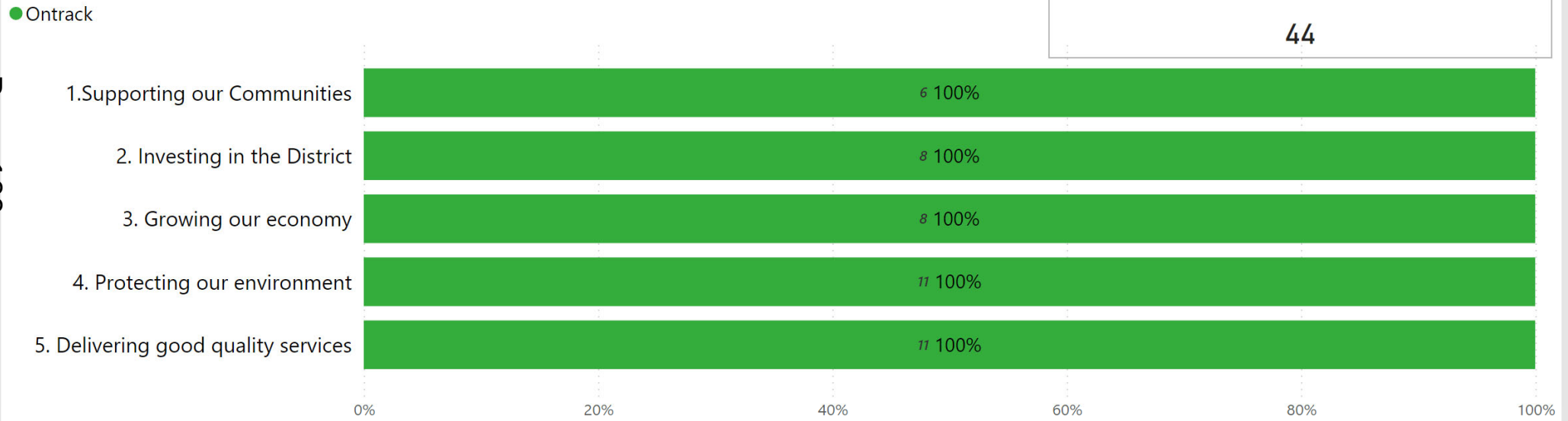
Quarter Range Filter

2026/27 Q1

▼

1. Supporting our Communities	2. Investing in our District	3. Growing our economy	4. Protecting our environment	5. Delivering good quality services
Ontrack	Ontrack	Ontrack	Ontrack	Ontrack

Indicator overview per priority



Total indicators supporting each priority	Total indicators for Supporting our communities	Total indicators for Investing in our district	Total indicators for Growing our economy	Total indicators for Protecting our environment	Total indicators for Delivering good quality services	Total
	6	8	8	11	11	44

Priority - Supporting our Communities

Quarter Range Filter

2026/27 Q1



RAG Review

Ontrack Q1 26/27 - Delivery against this priority is on track. Livewell funding is being allocated to community partners, with 13% being committed for six schemes in Q1. Four new Asset Based Community Development(ABCD) case studies are being explored on the back of the successes of last year's video case studies. Three community events were delivered in Q1 in collaboration with One Maldon District Partnership (OMDP). These included dementia events in Maldon and Burnham and a skatepark engagement event. A total of over 250 residents attended these events. OMDP is meeting on 27th July and will be trialling a merged OMDP / RAG meeting format.

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Service Plan KPI(s)	RAG	Indicator Type	Responsibility
1.1a -Adoption & delivery of a One Maldon District action plan.	Ontrack	Deliverable	Influence
1.2 - Initiatives that have been facilitated with Asset Based Community Development(ABCD) approach.	Ontrack	Deliverable	Control
1.3 - Appropriate commission of physical and mental health activities/initiatives using the LiveWell funding.	Ontrack	Measure	Control
1.4 - Health & Wellbeing partner led opportunities delivered	Ontrack	Measure	Influence
1.5 - Community safety partnerships engagements delivered	Ontrack	Deliverable	Influence
1.6 - Delivery of Maldon Community safety action plan	Ontrack	Deliverable	Influence

Continue to deliver the One Maldon District, 'multi-agency' partnership action plan. This already delivers our community festival U-fest and will deliver a 'Thriving Places' community engagement and funding scheme to local groups.

KPI	RAG	Update	Target
1.1a - Adoption & delivery of a One Maldon District action plan.	Ontrack	Q1 - Driven by wider health system changes and Integrated Care Board(ICB) reconfiguration, One Maldon District Partnership (OMDP) is updating its approach to partnership working. The new OMDP & Responsible Authorities Group merger meeting is being trialled on Monday 27th July, with a partner commitment survey also launching in early Q2. This feedback will help shape future joint working arrangements and support long-term sustainability planning as the final tranche of OMDP's UK Shared Prosperity funded activities concludes this September.	Agreed action plan by Q3 2026/27

2026/27 Q1

Using a resident and community engagement approach called Asset Based Community Development (ABCD) to roll-out health and wellbeing initiatives, and alliance funding to encourage and jointly deliver healthy activities.

KPI	RAG	Update	Target
1.2 - Initiatives that have been facilitated with Asset Based Community Development(ABCD) approach.	Ontrack	Q1 - Last year's case studies have been recently published as video case studies. Current year's case studies are being mapped out by team, with a range of current projects to choose from.	4pa

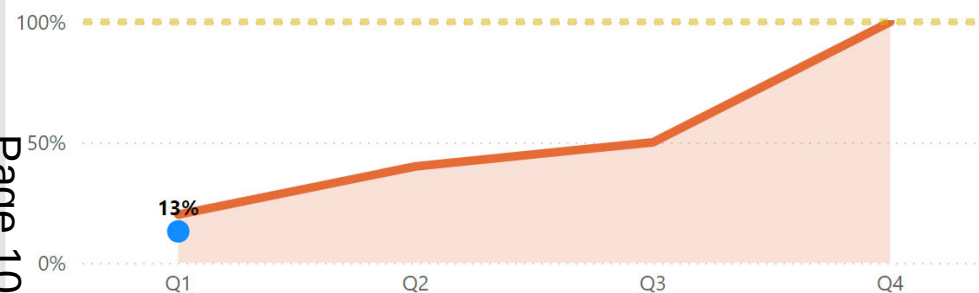
2026/27 Q1

Coordinate physical and mental health activities working with our leisure services partners, voluntary, community and sports partners to help vulnerable residents' wellbeing, particularly for our older residents and families needing support.

1.3 - Appropriate commission of physical and mental health activities/initiatives using the LiveWell funding.

Target: 100% Spend

● 2025/26 ● 2026/27



RAG

Update

Ontrack

Q1 - As of the end of the quarter 13% of funding has been spent delivering 6 schemes, funding commitments are on track to achieve 100% target at year end. Additionally a number of pipeline schemes have been agreed for Q2.

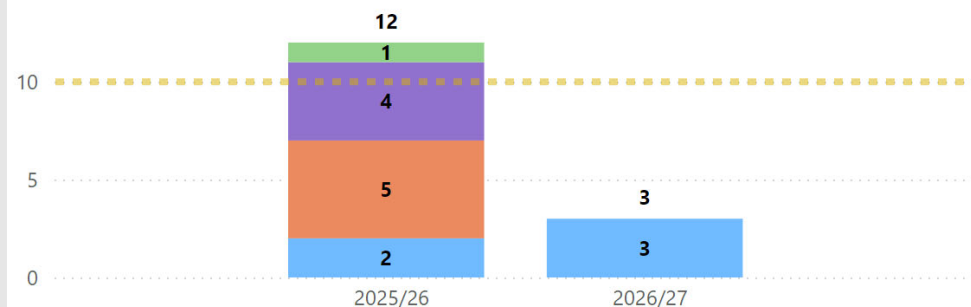
2026/27 Q1

Provide opportunities for residents to attend a community hub programme of events, and work with partners to promote information on a range of health and wellbeing topics, and cost of living help and support.

1.4 - Health & Wellbeing partner led opportunities delivered and attended

Target: 10pa

● Q1 ● Q2 ● Q3 ● Q4



RAG

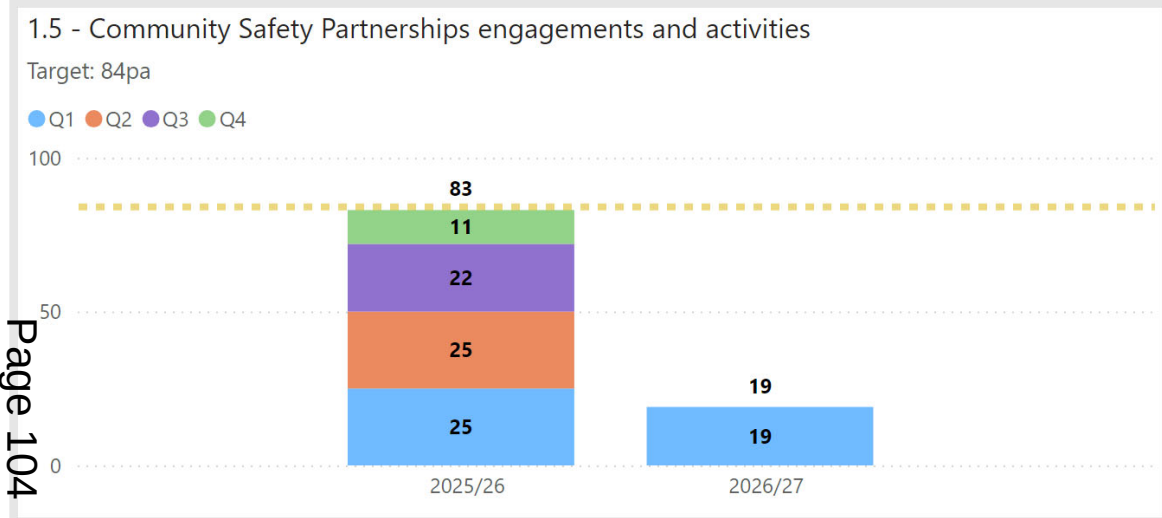
Update

Ontrack

Q1 - Three partner events were held in quarter 1;
 - Prom Park skatepark event supported by 25 partners across 6 organisations with over 200 participants throughout the day
 - Community in a Cup Burnham – Dementia Support Event. Attendees 48.
 - Community in A Cup Maldon – Dementia Support Event. Attendees 9.

2026/27 Q1

Promote community safety initiatives that are delivered through our Community Safety Partnership programme.



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RAG	Update
Ontrack	Q1 - This quarter focused on Identifying and Supporting Vulnerable People and Communities, which included delivery of Crucial Crew, completion of Safe and Well Visits, Supporting Dementia Together, holding Women's Safety Focus Groups and raising awareness of child exploitation and human trafficking through engagement, education and actions, this was achieved by working with our Police and Fire Service colleagues

KPI	RAG	Update	Target
1.6 - Delivery of Maldon Community safety action plan.	Ontrack	Q1 - Delivery of Community Safety Action Plan for the year is progressing. Successful crucial crew, safe and well visits and newsletter published	Delivery to plan actions & timescales

Priority - Investing in our District

Quarter Range Filter

2026/27 Q1



RAG

Review

Ontrack	Q1 26/27 - Overall, delivery remains on track. Neighbourhood & Communities Services are investing in our assets and installing leisure equipment and improvements to our open spaces and parks. The Planning Policy team are working on a Project Initiation Document and Local Plan Timetable for a New Local Plan for Maldon District, which will be considered at full Council in September. The Economic Development team continue to make the case for inward investment. Senior Leadership Team continue to work with partners to improve travel options and lobby for infrastructure. The Development Management team and the Housing team ensure effective negotiations and use of development contributions. The UK Shared Prosperity Fund has been spent in accordance with the Investment Plan. A new Culture & Heritage Strategy has been approved, and work is taking place to prepare the Action Plan.
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Service Plan KPI(s)	RAG	Indicator Type	Responsibility
2.1 - Enable investments into our open spaces & leisure equipment	Ontrack	Deliverable	Control
2.3a - Approve and deliver to the new targets & milestones as set out in the local plan time table (if approved by full Council)	Ontrack	Deliverable	Control
2.4a - Delivery of case studies and business articles to promote the district as a place to do business	Ontrack	Measure	Control
2.5 - Work with partners to improve travel options and lobby for infrastructure	Ontrack	Deliverable	Influence
2.6 - Monitor all S106 agreements including any delivery, and publication of the infrastructure funding statement	Ontrack	Deliverable	Control
2.7a - Delivery of the UK Shared Prosperity Fund projects final stages	Ontrack	Deliverable	Control
2.10a - Delivery of corporate and capital projects programme as agreed by Council.	Ontrack	Deliverable	Control
2.11a - Adoption of the culture & heritage strategy and work to meet the new targets & milestones as set out in the action plan (if approved by Council)	Ontrack	Deliverable	Control

Investing in our assets to update and install leisure equipment and improvements to open spaces and parks.

KPI	RAG	Update	Target
2.1 - Enable investments into our open spaces & leisure equipment	Ontrack	Q1 - Regular play equipment inspections are being carried out and a project plan for larger investment has been identified. Work will begin shortly on the replacement of 2 play sites at Riverside Park and Springfield.	Maintain & enhance our parks and open spaces

Delivering an updated Local Development Plan

KPI	RAG	Update	Target
2.3a - Approve and deliver to the new targets & milestones as set out in the local plan time table (if approved by full Council)	Ontrack	Q1 - The decision as to whether to begin a new Local Plan will be going to Council on 10 September 2026. To assist with this decision, consultants Arup have been commissioned to produce a Project Initiation Document and Project and Resourcing Plan for a new Local Plan.	Approval of Local plan business case by the end of Q3 26/27

Work with partners to make a case for inward investment.

KPI	RAG	Update	Target
2.4a - Delivery of case studies and business articles to promote the district as a place to do business (Delivered by supplier)	Ontrack	Q1 - Articles - The Return of the Maldon District Business Breakfast Maldon Beyond the Office & Lifestyle, Nature and Wellbeing Case Studies - The Marty Englander & BDHR Consultancy	6 case studies & 4 articles in 2026/27

Working with partners to improve travel options and lobby for infrastructure

KPI	RAG	Update	Target
2.5 - Work with partners to improve travel options and lobby for infrastructure	Ontrack	Q1 - S06 contributions sought through planning applications. Regular meetings continue with Essex County Council Highways, discussions around highway modelling in the context of the new plan making system.	Quarterly Progress (Attendance quarterly to partnership meetings/Infrastructure review)

Ensuring effective negotiation and use of developer contributions

KPI	RAG	Update	Target
2.6 - Monitor all S106 agreements including any delivery, and publication of the infrastructure funding statement	Ontrack	Q1 - S106 agreement continue to be monitored, including engagement with Finance. S106 invoices are raised where necessary. Continued work to procure Exacom to enable the transfer of all S106 data from a manual to a digital system. Infrastructure Funding Statement deadline to be published in December 2026.	Infrastructure delivery statement published by the end of Q3 26/27

2026/27 Q1

Delivering a UK Shared Prosperity Fund Investment Plan

KPI	RAG	Update	Target
2.7a- Delivery of the UK Shared Prosperity Fund projects final stages.	Ontrack	Q1 - Of the £783,369 available budget, from UKSPF (£327,146), REPF (£129,077) and the Council's match fund (£327,146), £751,221.35 of actual spend has been incurred. This represents 96% of funding spent. Reports continued to be delivered to committee.	Delivery of plan to timescale & final government returns submitted by the end of Q3 26/27

2026/27 Q1

Delivering commercial projects that benefit the district.

KPI	RAG	Update	Target
2.10a - Delivery of corporate and capital projects programme as agreed by Council.	Ontrack	Q1 - The 2026/27 Capital & Corporate Programme currently includes 70 tracked projects. Spend to date is £686k, with a recorded variance of £165k. Delivery activity is underway across capital investment, repairs and renewals, climate initiatives, regeneration funding and revenue growth programmes. A number of schemes have been successfully completed or are nearing completion, while others continue to progress through procurement and delivery stages. Repairs and renewals activity is advancing, with key procurement and contract award milestones achieved, supporting the transition of projects into delivery. Several projects remain dependent on funding approvals, legal and contractual matters, confirmed programme dates or other key decisions before they can proceed with greater certainty. These dependencies continue to present the main risks to programme delivery. Overall, programme progress is in line with expectations for this stage of the financial year. It is normal for a proportion of schemes to remain in the planning, approval, procurement or scheduling phases at this point, with delivery activity expected to increase as projects move through the programme lifecycle and outstanding dependencies are resolved.	Delivery to programme timescales

2026/27 Q1

Developing a new culture strategy

KPI	RAG	Update	Target
2.11a - Adoption of the culture & heritage strategy and work to meet the new targets & milestones as set out in the action plan (if approved by Council)	Ontrack	Q1 - Work has now begun to develop the Action Plan to support the delivery of the approved Culture and Heritage Strategy. The Council awaits the outcome of the Town of Culture expression of interest which we have been advised will be the end of July. If shortlisted, the bid development will be included in the Action Plan.	Adoption of strategy and formalised action plan by the end of Q3 26/27

2026/27 Q1

Priority- Growing our Economy

Quarter Range Filter

2026/27 Q1



RAG Review

Ontrack Q1 26/27 - Delivery has been strong, thanks to our partnership with Lets Do Marketing Group supporting the Council's business focussed communications. Delivery of UK Shared Prosperity Fund remains on track as expected with the final projects due to complete by the funding deadline of 30 September 2026. In partnership with the North Essex Economic Board (NEEB), we have commissioned The Consortium to deliver against the NEEB action plan for 2026/2027, with a specific focus on rural business support. Six campaigns have been set for the year supporting our Visit Maldon District Tourism work. We continue to support the Maldon District Tourism Group as they transition to a Community Interest Company.

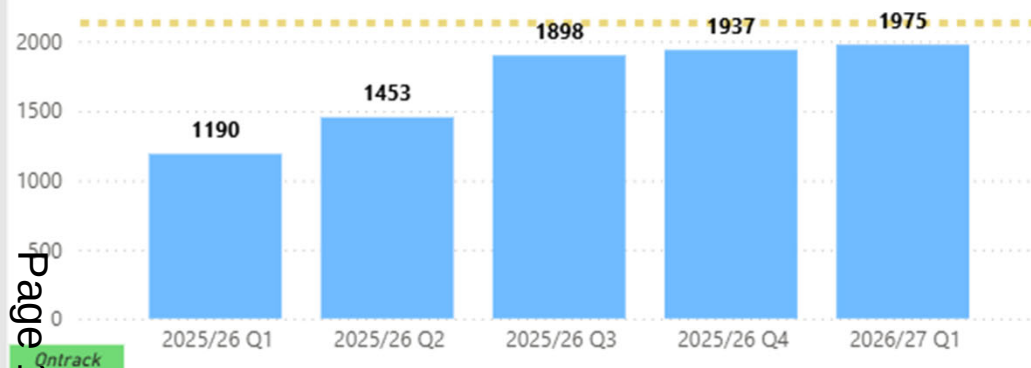
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Service Plan KPI(s)	RAG	Indicator Type	Responsibility
3.1 - Total number of subscribers to business communication channels (Delivered by supplier & partners)	Ontrack	Measure	Control
3.2 - Total number of direct to business engagements (business newsletter & events)	Ontrack	Measure	Control
3.4 - Total number of businesses reach by each activity (Delivered by supplier & partners)	Ontrack	Measure	Control
3.5 - Opportunities for grants training and support within the direct to business engagement (business newsletter)	Ontrack	Measure	Control
3.6a - Delivery of the UK Shared Prosperity Fund projects final stages.	Ontrack	Deliverable	Control
3.8 - Number of campaigns delivered	Ontrack	Measure	Control
3.9 - Reach of tourism social media platforms	Ontrack	Measure	Influence
3.10a - Delivering North Essex Economic Board (NEEB) action plan.	Ontrack	Deliverable	Influence

Delivering the 'Supporting Local Business' programme to engage and support businesses across the district.

3.1 - Total number of subscribers to business communication channels

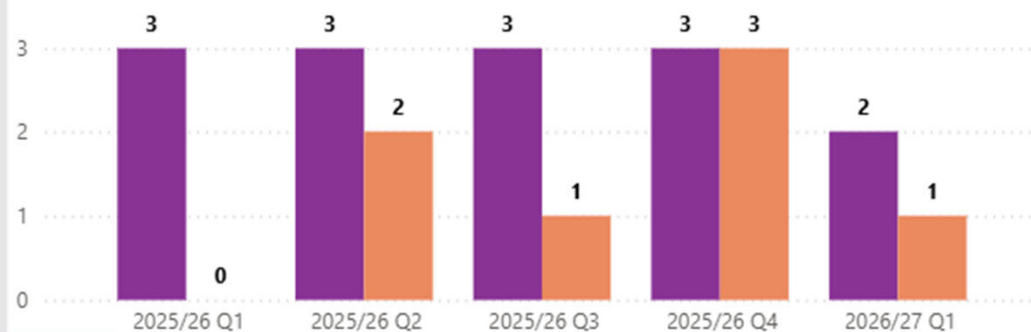
Target: 2026/27 - 10% Growth



3.2 - Total number of direct to business engagements (newsletter & events)

Target: Events 4pa | Newsletters 12pa

● Business Newsletters ● Business Events

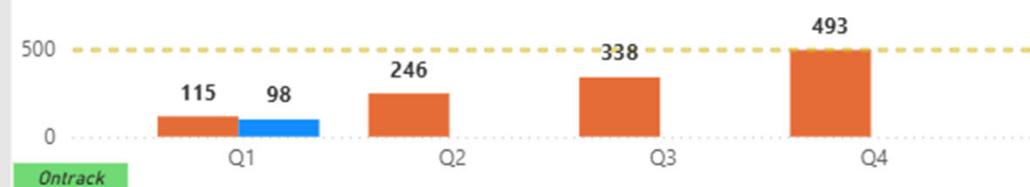


2026/27 Q1

3.4 - Cumulative business reach by businesses new letter clicks

Target: Maintain Engagement

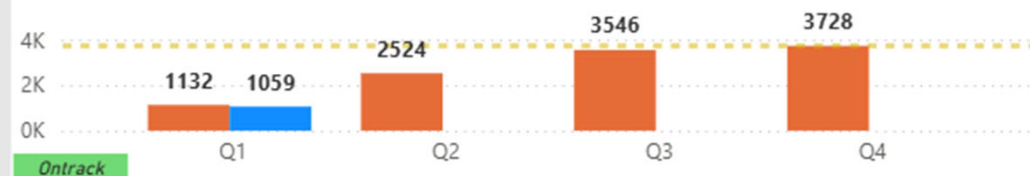
● 2025/26 ● 2026/27



3.4 - Cumulative business reach by businesses new letter displays

Target: Maintain Engagement

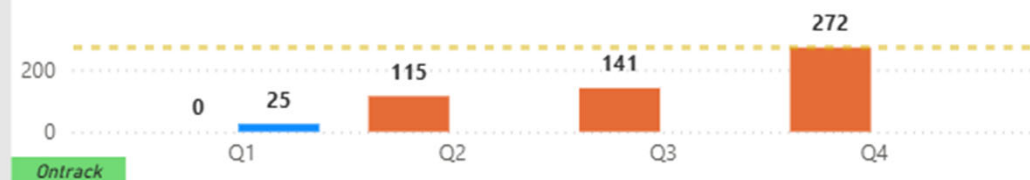
● 2025/26 ● 2026/27



3.4 - Cumulative business reach by in person event attendance

Target: Maintain Engagement

● 2025/26 ● 2026/27

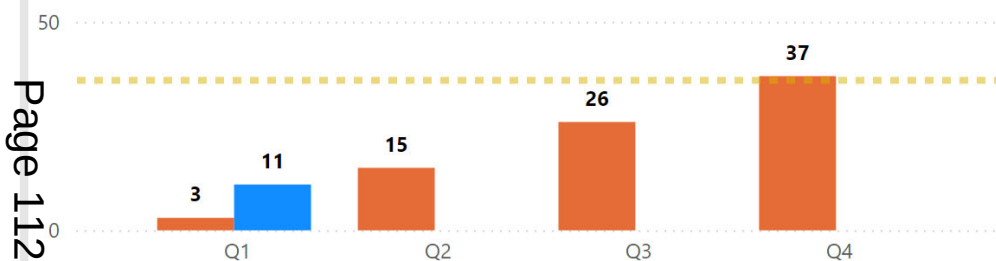


Working with our partners to promote grants, training, and support schemes to local businesses and residents

3.5 - Opportunities for grants training and support within the direct to business engagement - Cumulative

Target: 2026/27 -36 opportunities pa

● 2025/26 ● 2026/27



RAG	Update
Ontrack	Q1 - Most popular link engaged with was July Maldon Business Breakfast Booking

2026/27 Q1

Continuing to deliver the UK Shared Prosperity Fund investment plan

KPI	RAG	Update	Target
3.6a - Delivery of the UK Shared Prosperity Fund projects final stages.	Ontrack	Q1 - Of the £783,369 available budget, from UKSPF (£327,146), REPF (£129,077) and the Council's match fund (£327,146), £751,221.35 of actual spend has been incurred. This represents 96% of funding spent. Reports continued to be delivered to committee.	Delivery of plan to timescale & final government returns submitted by the end of Q3 26/27

2026/27 Q1

Delivering the Maldon District Tourism Group action plan

3.9 -Tourism campaign social media engagement

Target: Establish a baseline

● Reactions/likes ● Shares ● Comments ● Saves/Follows



KPI	RAG	Update	Target
3.8 - Campaigns delivered.	Ontrack	Q1 - Campaigns are defined for 26/27. These being: Collaborations/Competitions, Events, Place, Saltmarsh Coast Walking Festival, Sponsorship, and Visit Essex. We saw a focus on Events as we started moving into the Spring/Summer Season following on from the Maldon Mud Race in April. The Mud Race and content into the lead up to, and following on from, saw great engagement for our sponsorship campaign and showed the relationship that had been built through this was effective. This also amounted to in-person engagement on the day itself. Followers continued to grow as our reach increased, which we anticipate it will continue to do, steadily.	6 per year

2026/27 Q1

Working with our local authority partners to develop and deliver the North Essex Economic Board Strategy and the North Essex Councils' Growth Plan.

KPI	RAG	Update	Target
3.10a - Delivering North Essex Economic Board (NEEB) action plan.	Ontrack	Q1 - The North Essex Economic Board (NEEB) action plan delivery is on track, with 390 event attendances, 57 repeat attendees, 6 webinars, and 100% positive feedback from March events across the partnership. Rural business support procurement is complete, with contract start targeted for May 2026. Comms support begins 1 May, budget close-down is progressing, and NEEB Growth activity is moving to publication and use.	Delivery to action plan timescales

Priority - Protecting our environment

Quarter Range Filter

2026/27 Q1

RAG Review

Ontrack Q1 26/27 - Overall, delivery remains on track. Strong progress continues across delivery of the Climate Action Plan, with 23 of 38 actions (61%) rated Green, 11 Amber . Community engagement remains strong, working with schools, community climate partnerships, water quality initiatives and volunteer litter-picking programmes. Progress on Electric Vehicle(EV) infrastructure is advancing, with the supplier-funded charging programme moving towards procurement and installation across eight priority Council-owned car parks. Provisional 2025/26 emissions data also indicates a further reduction in emissions, supporting delivery of the Council's carbon reduction objectives. Air quality performance remains strong, with compliance exceeding target levels at 93% in April and 96% in May. Following agreement from Defra, work is progressing on the Market Hill Air Quality Action Plan, with evidence review and measure development underway ahead of consultation and adoption by March 2027. Partnership working has remained active through regional climate, air quality, adaptation and environmental networks, helping to share best practice and support collaborative projects. Some areas require follow-up, including the rollout of the internal climate training programme.

Service Plan KPI(s)	RAG	Indicator Type	Responsibility
4.1a - Delivery of the climate action plan.	Ontrack	Deliverable	Control
4.2 - Reduction of accounted carbon emissions	Ontrack	Measure	Control
4.3 - Support progress of Electric Vehicle Charging	Ontrack	Deliverable	Influence
4.4a - Develop an internal climate training programme of short courses covering environmental topics.	Ontrack	Deliverable	Control
4.5 - Collaborate with Essex Climate Partnerships on proposals/initiatives that support the Maldon District reduce carbon emissions	Ontrack	Deliverable	Influence
4.6 - Number of community climate initiatives and engagements	Ontrack	Measure	Control
4.7 - Percentage break down of waste & recycling	Ontrack	Measure	Influence
4.8 - Total KG per household for residual, food and recyclable waste (excluding garden waste)	Ontrack	Measure	Influence
4.10 - Community reports investigated/resolved to preserve the local environmental	Ontrack	Measure	Control
4.11 - Environmental enhancements and mitigations secured through development services	Ontrack	Deliverable	Influence
4.12 - Delivery of the Air Quality Management Area (AQMA) Action Plan	Ontrack	Deliverable	Control

Delivery of Annual Climate Change Plan

KPI	RAG	Update	Target
4.1a - Delivery of the climate action plan.	Ontrack	Q1 - Overall delivery of the Climate Action Plan remains on track. Of the 38 actions, 23 (61%) are rated Green, 11 are Amber, and there are currently no Red actions. The strongest performance is in Sustainable Working (100% Green) and Preservation of Resources (86% Green), while Travel and Transport and Energy continue to be monitored due to the complexity and dependencies associated with these workstreams.	Quarterly progress to action plan timescales

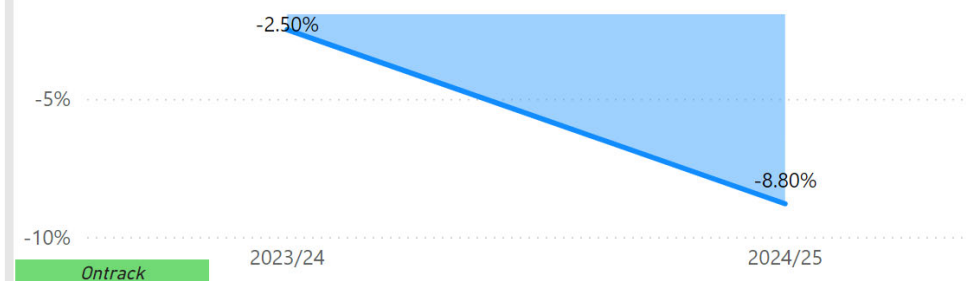
Page 115

2026/27 Q1

Taking steps to reduce the Councils 'Carbon Footprint'

4.2 - Accounted carbon emission reduction(%)

Target : Reduction in emissions each year



RAG	Update
Ontrack	Q1 - Work has progressed well on the Council's 2025/26 greenhouse gas emissions report. Draft results indicate that operational greenhouse gas emissions are estimated at approximately 969 tonnes of carbon dioxide equivalent, compared with 978 tonnes in 2024/25, representing a reduction of around 9 tonnes (0.9%). When leased assets are included, total emissions are estimated at 1,404 tonnes of carbon dioxide equivalent, compared with 1,447 tonnes in 2024/25, representing a reduction of around 43 tonnes (3%). These figures remain provisional pending completion of final data and report validation due in quarter 2

2026/27 Q1

Supporting the implementation of the Electric Vehicle Charging

KPI	RAG	Update	Target
4.3 - Support progress of Electric Vehicle(EV) Charging	Ontrack	Q1 - The EV charging programme has moved into delivery planning, with the aim of enabling a rapid roll out of supplier-funded electric vehicle chargers across priority Maldon District Council-owned car parks, with no upfront capital cost to the Council. Phase 1 focuses on scoping, procurement and installation in eight priority car parks: Princes Road, Promenade Park, White Horse Lane, Butt Lane, Friary Fields, West Maldon Community Centre, Brickhouse Farm Community Centre and Millfields in Burnham-on-Crouch. The programme is now moving through procurement, with tendering planned for July to November 2026, followed by contract award, public communications, preparation works and installation. The proposed provision includes a mix of fast, rapid and slow chargers across key public car parks, supporting improved access to electric vehicle charging for residents, visitors, workers and businesses.	Quarterly progress

2026/27 Q1

Training staff and members to become climate literate

KPI	RAG	Update	Target
4.4a - Develop an internal climate training programme of short courses covering environmental topics.	Ontrack	Q1 - Completed a review of existing climate training resources and benchmarked approaches used by other local authorities. Findings are being used to develop an internal climate training programme covering key environmental and sustainability topics.	Roll out of climate training programme by the end of Q4 26/27

2026/27 Q1

Working with North Essex Climate Partnership to reduce countywide carbon emissions

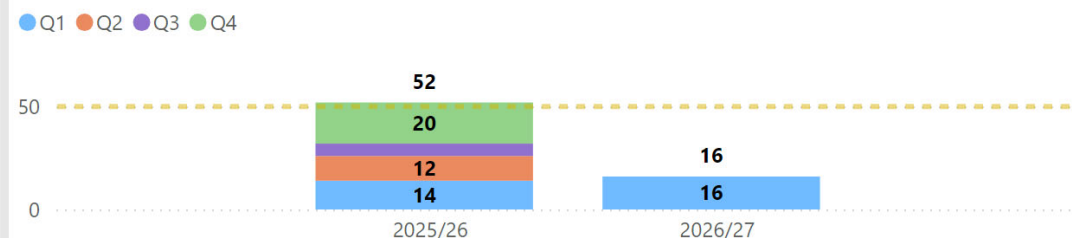
KPI	RAG	Update	Target
4.5 - Collaborate with Essex Climate Partnerships on proposals/initiatives that support the Maldon District reduce carbon emissions	Ontrack	Q1 - Partnership climate and environmental engagement activities: Four during the reporting period, the Council continued to work collaboratively with Essex County Council, neighbouring authorities, environmental organisations and regional partners to support the delivery of climate, sustainability and environmental objectives. Officers participated in four significant partnership engagement activities, providing opportunities to share best practice, develop collaborative projects and strengthen relationships across Essex and the wider region. These included: Essex Air Quality Strategy All-Partners Meeting. North Essex Sustainable Business Planning Group. Adaptation Community of Practice. Blackwater pollution partnership meeting.	Quarterly collaboration

2026/27 Q1

Helping our communities take climate action

4.6 - Community climate initiatives

Target: 2026/27 - 50 initiatives pa



RAG	Update
Ontrack	Q1 - • Engaged five schools through the Care and Connect environmental education initiative, strengthening relationships and opening future sustainability learning opportunities. • Supported Tollesbury Climate Partnership's water quality programme, including community water testing and engagement on water industry investment plans. • Worked with Heybridge and Maldon Climate Action Partnership, Dengie Climate Action Partnership and Tollesbury Climate Partnership to support local climate action and promote community engagement. • Enabled collaboration and knowledge sharing between local climate groups. • Developed Clean Air Routes with the Ramblers Association and supported its volunteer-led litter-picking programme. • Supported Biodiversity Net Gain discussions and promoted engagement with the Essex Estuaries Farm Cluster. • Explored renewable and community energy opportunities with local organisations. • Progressed a climate and sustainability community microsite to raise awareness, encourage participation and support community action.

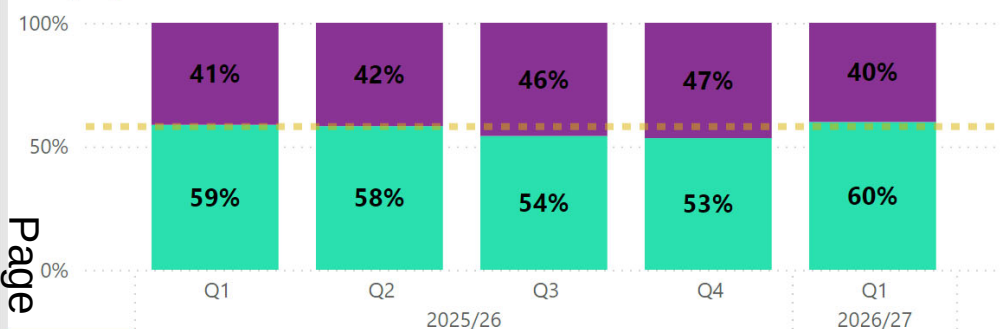
2026/27 Q1

Helping to reduce waste and recycling more

4.7 - Percentage break down of waste & recycling (all types)

Target: Minimum of 58% Recycling

Recycling Residual

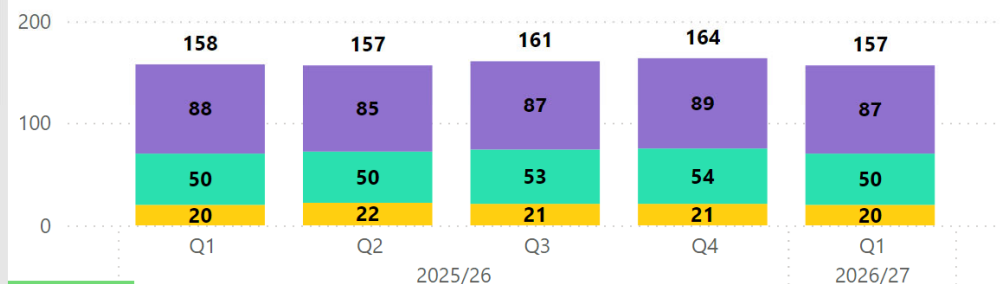


Ontrack

4.8 - Total KG per household for residual, food and recyclable waste (excluding garden waste)

Target: Household reduction of residual waste

Food waste Recyclable waste Residual waste



Ontrack

2026/27 Q1

Implementing measures to improve local air quality

KPI	RAG	Update	Target
4.12 - Delivery of the Air Quality Action Plan (AQAP)	Ontrack	Q1 - Letter sent to Defra 15th January 2026 regarding the overdue Air Quality Action Plan (AQAP) for the Market Hill Air Quality Management Area and a request for a revised deadline of 31 March 2027 for submission of the final adopted AQAP. Letter received from Defra 21st May 2026, confirming agreement with the proposal and following timescale: • May–July 2026: Evidence review and development of AQAP measures, alongside preparation and submission of the 2026 Annual Status Report. • August–September 2026: Draft AQAP preparation and internal review. • October–November 2026: Statutory and stakeholder consultation. • December 2026–January 2027: Review of consultation responses and revision of the AQAP. • February–March 2027: Formal approval and adoption, with submission to Defra by 31st March 2027.	To Action Plan Timetable

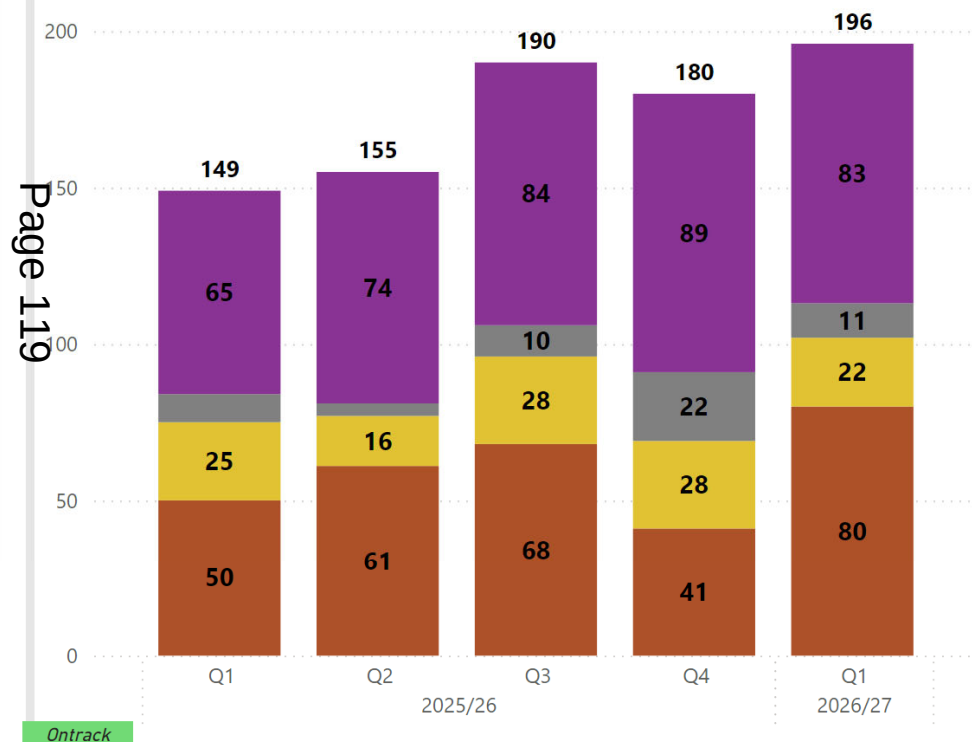
2026/27 Q1

Taking action to preserve and enhance the environment

4.10 - Community reports investigated/resolved to preserve the local environmental

Target: Continue to act on community reports

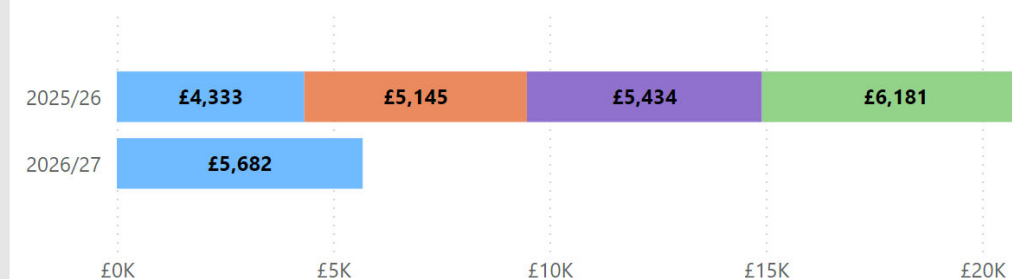
Abandoned Vehicles Littering offences Dog Fouling Offences Fly Tip Removals



2026/27 Q1

4.10 - Costs for flytip removal

Q1 Q2 Q3 Q4



KPI	RAG	Update	Target
4.11 - Environmental enhancements and mitigations secured through development services	Ontrack	Q1 - Bio Net Gain (BNG) continues to be delivered through planning applications and monitored. The Council continues to support the Essex BNG Officer who assists Essex Local Planning Authorities with BNG duties. Preparation began on the statutory Biodiversity Duty Report 2026. Essex Coast Recreational disturbance Avoidance Mitigation Strategy (RAMS) tariff payments continue to be collected through planning applications to mitigate the impact of increased development on protected habitat sites. Continuing engagement with the Essex RAMS Steering Group to progress an updated Strategy.	Quarterly progress

Priority - Delivering good quality services

Quarter Range Filter

2026/27 Q1



RAG Review

Ontrack Q1 26/27 - Delivery against this priority is on track, with all 11 indicators reported as on target. Customer access and service responsiveness remain strong, with 96% of telephone calls handled, 32% of online enquiries resolved at first point of contact, and 88% of telephone enquiries resolved at first contact. Partnership working continues to support vulnerable residents through health and wellbeing initiatives and ongoing collaboration with housing providers, while environmental health services are performing well, with 94% of licences issued within statutory timescales and 94% of environmental protection service requests investigated and resolved within target timescales. Food hygiene inspection activity has continued with 85% of programmed inspections completed, and six service process improvements have already been delivered in the first quarter, supporting the Council's commitment to continuous improvement and high-quality service delivery.

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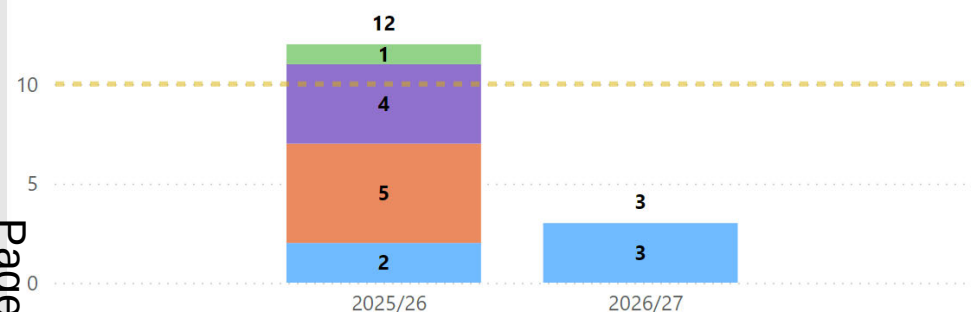
Service Plan KPI(s)	RAG	Indicator Type	Responsibility
5.1 - Health & Wellbeing partner led opportunities delivered (Linked)	Ontrack	Measure	Influence
5.3 - Percentage of phone calls handled	Ontrack	Measure	Control
5.5 - Online 'contact us' enquiries & phone enquiries responded to at first point of contact.	Ontrack	Measure	Control
5.7a - Adoption & delivery of a One Maldon District action plan (linked)	Ontrack	Deliverable	Influence
5.8 - Affordable housing units secured through planning policy	Ontrack	Measure	Influence
5.9a - Delivery of collaborative working with housing partners including regular assessments of housing need.	Ontrack	Deliverable	Influence
5.11 - Completion of environmental permit inspections (%)	Ontrack	Measure	Control
5.12 - Programmed Food Hygiene Inspections due & completed (%)	Ontrack	Measure	Control
5.13 - Licenses issued within statutory timescales. (%)	Ontrack	Measure	Control
5.14 - Environmental protection service requests investigated and resolved (%)	Ontrack	Measure	Control
5.18 - Number of process improvements delivered	Ontrack	Measure	Control

Provide help and support to our most vulnerable people (Linked Community objective)

5.1 - Health & Wellbeing partner led opportunities delivered and attended

Target: 10 per year

● Q1 ● Q2 ● Q3 ● Q4



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RAG	Update
Ontrack	Q1 - Three partner events were held in quarter 1; - Prom Park skatepark event supported by 25 partners across 6 organisations with over 200 participants throughout the day - Community in a Cup Burnham – Dementia Support Event. Attendees 48. - Community in A Cup Maldon – Dementia Support Event. Attendees 9.

2026/27 Q1

Giving help and support to our residents by working well with our local partners (Linked Community objective)

KPI	RAG	Update	Target
5.7a - Adoption & delivery of a One Maldon District action plan.	Ontrack	Q1 -Driven by wider health system changes and Integrated Care Board(ICB) reconfiguration, One Maldon District Partnership (OMDP) is updating its approach to partnership working. The new OMDP & Responsible Authorities Group merger meeting is being trialled on Monday 27th July, with a partner commitment survey also launching in early Q2. This feedback will help shape future joint working arrangements and support long-term sustainability planning as the final tranche of OMDP's UK Shared Prosperity funded activities concludes this September.	Agreed action plan by Q3 2026/27

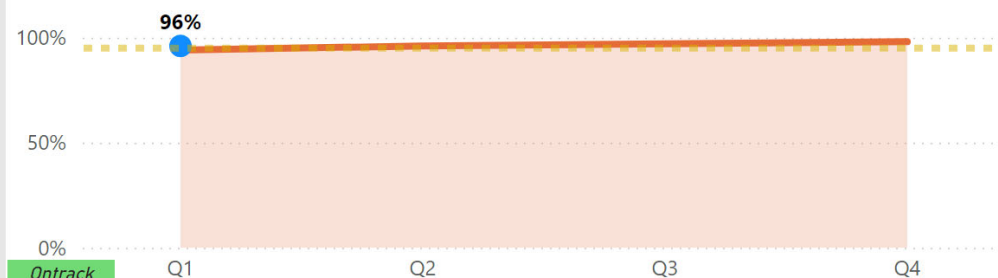
2026/27 Q1

Providing online services for most of our customers, whilst also provide telephone and in person support when it is needed.

5.3 - Percentage of phone calls handled

Target: 95%

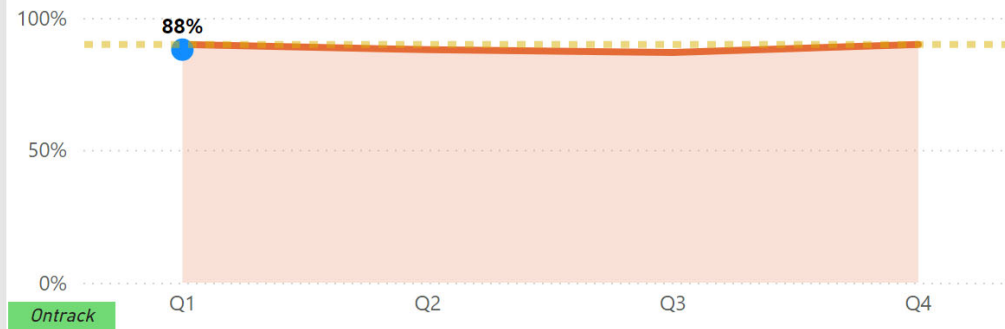
● 2025/26 ● 2026/27



5.5 - Phone enquiries responded to at first point of contact

Target: 90%

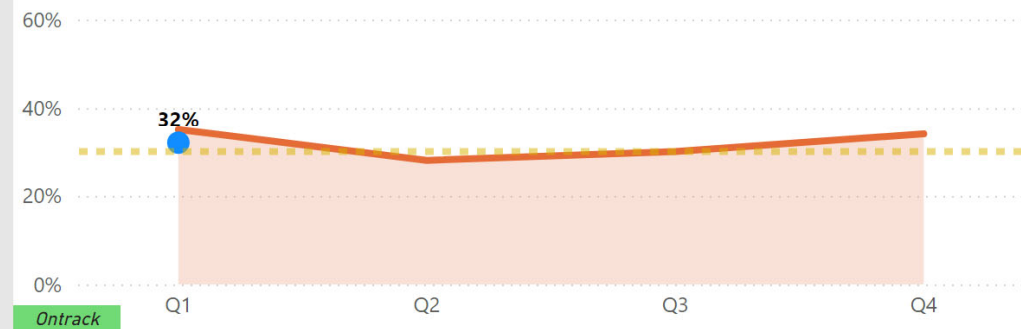
● 2025/26 ● 2026/27



5.5 - Online 'Contact us' enquiries responded to at first point of contact

Target: 2026/27 - 30%

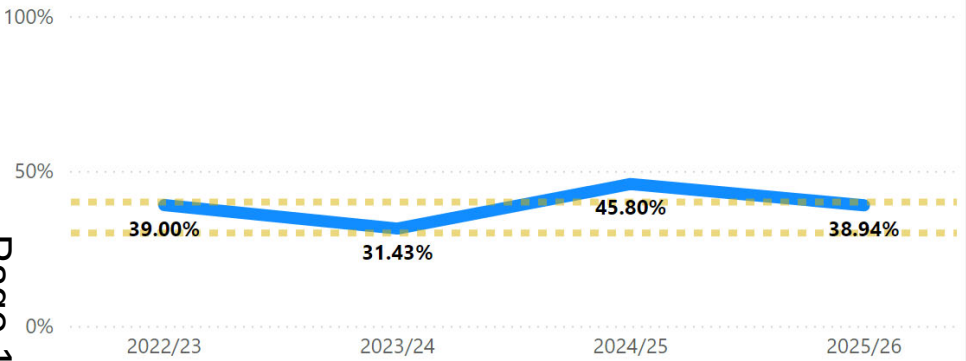
● 2025/26 ● 2026/27



Working with partners to find solutions to support the high demand for affordable housing

5.8 - Annual Indicator - Percentage of affordable housing secured through planning policy

Target: Qualifying sites to provide between 30% to 40% of affordable housing (only on sites over 10)



RAG	Update
Ontrack	Annual Indicator. This will be updated in Q4.

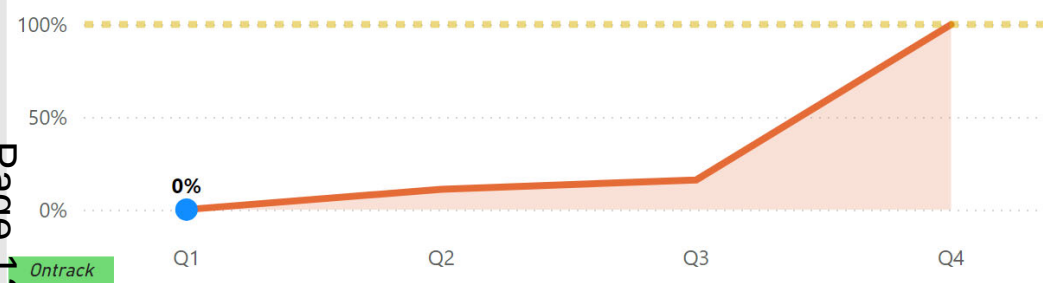
KPI	RAG	Update	Target
5.9a - Delivery of collaborative working with housing partners including regular assessments of housing need.	Ontrack	Q1 - Quarterly partnership meetings between MDC and Moat continue to be well attended, providing a valuable forum to review performance, address challenges and maintain effective partnership working. The July meeting will include attendance from Members, who will have the opportunity to review and challenge Moat's performance to date, ensuring that key areas of concern continue to receive appropriate focus. Operationally there has been a positive improvement in the number of void properties, although work remains ongoing to address the challenges associated with longer term voids and ensure these are resolved as efficiently as possible.	Quarterly engagement with housing partners.

Supporting businesses to meet legislation requirements and maintain standards

5.11 - Completion of environmental permit inspections (%)

Delivery profile for this indicator usually happens towards Q3 by a contractor in a scheduled block.
Target: 100% by year end

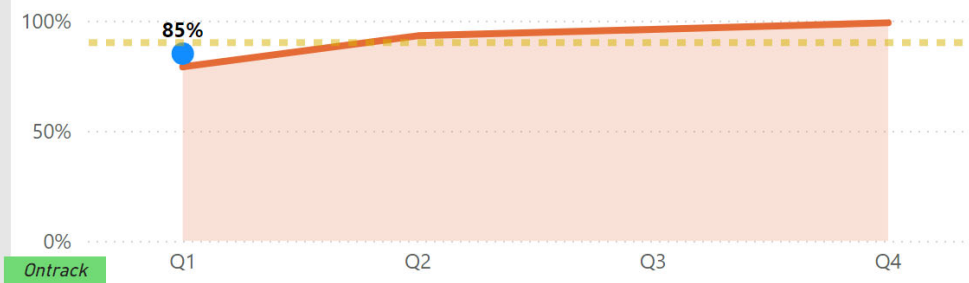
● 2025/26 ● 2026/27



5.12 - Programmed Food Hygiene Inspections due & complete

Target: 90% by year end

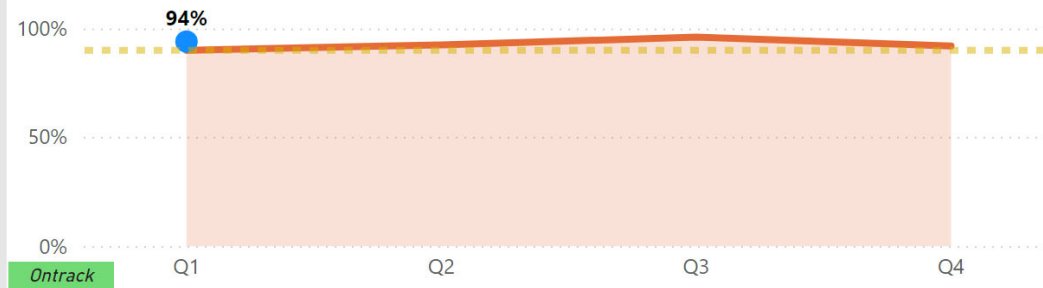
● 2025/26 ● 2026/27



5.13 - Licenses issued within statutory timescales. (%)

Target: 90%

● 2025/26 ● 2026/27

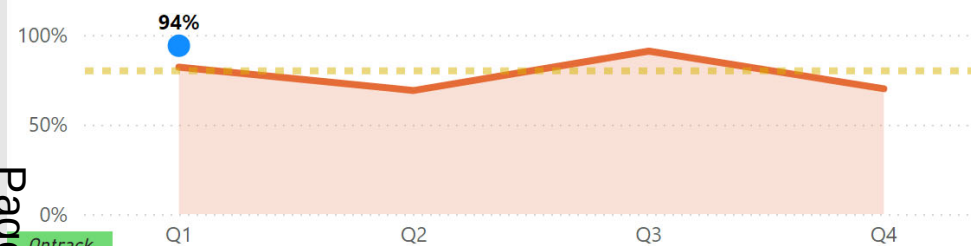


Protecting public health and safety

5.14 - Environmental protection service requests investigated and resolved within time.

Target: 80%

● 2025/26 ● 2026/27



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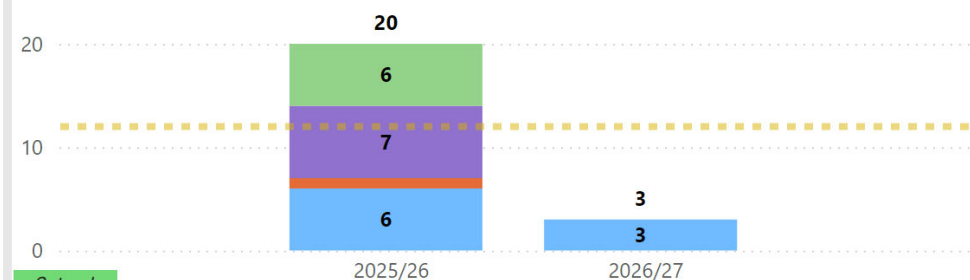
2026/27 Q1

Improving the effectiveness of the services we deliver both internally and externally

5.18 - Number of process improvements delivered

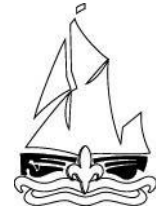
Target: 12 process improvements delivered per year

● Q1 ● Q2 ● Q3 ● Q4



2026/27 Q1

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REPORT of CHIEF EXECUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
17 SEPTEMBER 2026

REVIEW OF CORPORATE RISK – QUARTER 1

1. PURPOSE OF THE REPORT

- 1.1 The Risk Management Policy requires this Committee to undertake a quarterly review of the Corporate Risk Register as assurance that the corporate risks are being managed effectively.

2. RECOMMENDATIONS

- (i) That Members review the Corporate Risk Register in **APPENDIX 1** and provide comment and feedback for consideration;
- (ii) That Members review progress of the Corporate Risk Mitigating actions in **APPENDIX 2** and provide comment and feedback for consideration;
- (iii) That Members are assured through this review that corporate risk and is being managed effectively;
- (iv) That Members challenge risk where the Committee feels that the Council's corporate goals may not be achieved.

3. SUMMARY OF KEY ISSUES

- 3.1 **APPENDIX 1** shows a summary and detailed table of the Corporate Risk Register, the latest ratings and officer commentary. The control strength of each risk is including any active mitigating actions.

Note: Risk controls are an *embedded* action / process that help control or minimise the likelihood and/or impact of the risk.

- 3.2 **Reduction:** Decrease in likelihood for Risk 10 – Inadequate staffing structure and resource for resilience. Reduction due to the delivery of transforming together phase 2 and Essex County Council providing recruitment support to fill vacancies.

Was	Now
3 Likelihood and 4 Impact	2 Likelihood and 4 Impact

- 3.3 **Reduction and recommended for closure:** Decrease in likelihood for Risk 17 – Failure to provide adequate building safety and access systems. Reduction due to the security system being fully installed and operational. Risk recommended to be closed from the corporate risk register.

Was	Now
3 Likelihood and 4 Impact	2 Likelihood and 4 Impact

- 3.4 Service level risks are identified and monitored in Service Plans by the relevant Service Plan Owners. They may then be escalated as a corporate risk, if deemed appropriate and necessary to committee level for consideration.

4. CONCLUSION

- 4.1 Overall, no major Corporate Risk concerns have been raised. Work continues to ensure all risks are mitigated, and where possible, working towards their closure.
- 4.2 All Risk Management criteria is set out in the Risk Management Policy.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

- 5.1 It is important that risk is monitored and managed effectively, to ensure that Maldon District Council progresses towards and/ achieves its stated priorities.

6. IMPLICATIONS

- (i) **Impact on Customers** – Those risks in the Corporate Risk Register are defined as having a wider impact on our customers and delivery. The monitoring and mitigation of these will reduce the impact on customers.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk (including Fraud implications)** – If risk is not managed effectively by the Council, it puts the Council's strategic delivery at risk and increases unnecessary exposure to potential, operational, reputational, or regulatory consequences.
- (iv) **Impact on Resources (financial)** – All risk management is undertaken within existing planned budget. Exceptions being for a potential enactment of a recommendation outside of pre-defined resource.
- (v) **Impact on Resources (human)** – All risk management is undertaken within existing planned budget. Exceptions being for a potential enactment of a recommendation outside of pre-defined resource.
- (vi) **Impact on Devolution and Local Government Reorganisation** -If risk is not managed effectively by the Council, it puts the Council's strategic delivery at risk and increases unnecessary exposure to potential, operational, reputational, or regulatory consequences.

Background Papers: None.

Enquiries to: Doug Wilkinson, Chief Executive.

Corporate Risk Reporting

Data Period: Quarter 1 2026/27

Report Updated: August 2026

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'Where Quality of Life Matters'



MALDON
DISTRICT COUNCIL

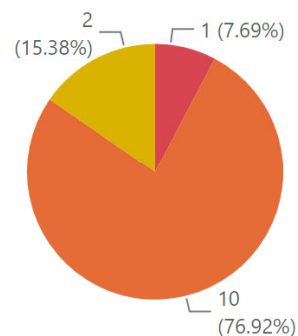
Corporate Risk Overview

Corporate Priority Risks



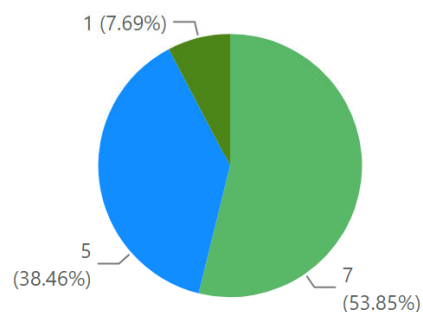
Tolerance Split

1.Red 2.Amber 3.Yellow



Risk Control Strength

Good Fair Excellent



Id	Risk	Rating Direction
1	Failure to safeguard children and vulnerable adults	Risk rating unchanged
2	Failure to target services and influence partners with the aim of having an effective outcome on the identified health and wellbeing needs of the vulnerable population	Risk rating unchanged
3	Failure to influence Community Safety partners to address the key areas of public concern (including rural crime) and the negative perception of crime	Risk rating unchanged
4	Damage caused to the Council's reputation associated with delays to planned infrastructure delivery in the District by third parties which was due to mitigate approved development.	Risk rating unchanged
5	Failure to maintain a 5 year housing land supply	Risk rating unchanged
6	Unable to secure sufficient and appropriately sized affordable housing to meet local need due to market conditions, development viability, and reliance on external delivery partners	Risk rating unchanged
7	Failure to protect personal or commercially sensitive data	Risk rating unchanged
8	Unable to recruit and retain staff with specific skills sets in specialist areas to meet the demands of the service	Risk rating unchanged
9	Failure to plan and deliver balanced budgets over the medium term	Risk rating unchanged
10	Inadequate staffing structure and resource for resilience	↓ Risk rating decreased
12	Lack of Temporary Accommodation & Social Housing to cope with demand	Risk rating unchanged
16	Failure to engage and prepare to be ready for any impact of Local Government Review	Risk rating unchanged
17	Failure to provide adequate building safety and access systems	↓ Risk rating decreased

ID	Risk	Control Strength	Current Likelihood	Current Impact	Overall Risk Rating	Rating Travel	Recent Update	Year Raised
5	Failure to maintain a 5 year housing land supply	Good	5	5	25	→	Q1 26/27 - The Maldon Woods appeal (6 July 2026) confirmed that the five year housing land supply was in a range between 3.52 and 3.97 years. The tilted balance still applies, with the presumption in favour of sustainable development as set out in para 11d of the National Policy Planning Framework(NPPF).	2017/18
16	Failure to engage and prepare to be ready for any impact of Local Government Review	Fair	3	4	12	→	Q1 26/27 - A review of the scope has taken place as part of the Essex wide system review. As of June 26, we have established a Mid Essex Project Management Office (PMO) to look at detailed service deliverables for the unitary Officers continue to engage where required Essex-wide, This has been quieter as part of the system wide reset too and clarity is being chased on future deliverables. The Maldon Chief is also now the sponsor of one of the Essex wide groups. Activity will increase from July to support the Mid Essex PMO. Resource from within the Performance and Improvement and LGR team has started to be allocated accordingly. Additionally, a Director of LGR post is being directly advertised	2024/25
1	Failure to safeguard children and vulnerable adults	Good	2	5	10	→	Q1 26/27 - The safeguarding arrangements established during 2025/26 continue to operate effectively. Regular safeguarding meetings remain in place, providing ongoing oversight of safeguarding matters and supporting the effective management and mitigation of identified risks. The Safeguarding Sub-Working Group continues to monitor safeguarding activity and promote a consistent organisational approach. During Q1, officers have commenced a review of the Council's Safeguarding Policy to identify potential improvements and ensure it remains aligned with current best practice, statutory requirements and organisational needs. Work will continue throughout the year to strengthen safeguarding arrangements, including consideration of enhancements to reporting mechanisms and the continued delivery and promotion of safeguarding training and awareness for both staff and Members. These actions will support the Council's commitment to maintaining a strong safeguarding culture and ensuring appropriate governance and oversight.	2012/13

ID	Risk	Control Strength	Current Likelihood	Current Impact	Overall Risk Rating	Rating Travel	Recent Update	Year Raised
4	Damage caused to the Council's reputation associated with delays to planned infrastructure delivery in the District by third parties which was due to mitigate approved development.	Good	3	3	9	→	Q1 26/27 - No change since Q4 2025/26. When an applicant seeks planning for a major development (a site of 10 or more homes) the Council will consult with a range of infrastructure providers. The planning system allows the Council to seek contributions towards the delivery of infrastructure where necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind to the development. Each year the Council produces an Infrastructure Funding Statement (IFS) which details the infrastructure contributions which have been collected. This is reported to the PGA Committee and published on the Council's website. Most of the infrastructure contributions are for other organisations such as education and highways where the contributions go to the County Council. As part of the Council's evidence base for the Local Plan a draft Infrastructure Delivery Plan has been prepared.	2014/15
8	Unable to recruit and retain staff with specific skills sets in specialist areas to meet the demands of the service	Fair	3	3	9	→	Q1 26/27 - Large scale recruitment campaign launched June with Essex County Council(ECC) using their specialist recruitment team and skilled individuals to source staff for all vacant roles. The campaign is ongoing. ECC also created webinar on Safer Recruitment circulated to all recruiting managers as well as an in person workshop.	2015/16
2	Failure to target services and influence partners with the aim of having an effective outcome on the identified health and wellbeing needs of the vulnerable population	Excellent	2	4	8	→	Q1 26/27 - Risk controls remain adequate but note that Mid Essex Alliance has ceased and so needs to be removed as a control. This raises the importance of the control for partnership working through One Maldon District Partnership (OMDP). An OMDP / RAG trial merger is scheduled for 27th July, to keep statutory, community and voluntary partners together.	2016/17

ID	Risk	Control Strength	Current Likelihood	Current Impact	Overall Risk Rating	Rating Travel	Recent Update	Year Raised
3	Failure to influence Community Safety partners to address the key areas of public concern (including rural crime) and the negative perception of crime	Good	2	4	8	→	Q1 26/27 - The Council continues to play an active role within the Community Safety Partnership (CSP), working closely with partners to address local community safety issues. The Community Safety Hub remains an effective mechanism for partnership working, supporting ongoing intelligence sharing, joint problem-solving and coordinated action with key partners. The findings from the annual Community Safety Survey continue to inform local priorities and have been incorporated into the Community Safety work programme for 2026/27. Progress against these priorities is being delivered through partnership action plans and regular engagement with CSP partners.	2017/18
6	Unable to secure sufficient and appropriately sized affordable housing to meet local need due to market conditions, development viability, and reliance on external delivery partners	Good	2	4	8	→	Q1 26/27 - Given the number of new housing sites within the planning system as a result of the lack of a five year housing land supply, there will be an increased supply of affordable homes.	2016/17
7	Failure to protect personal or commercially sensitive data	Good	2	4	8	→	Q1 26/27 - The Council has had no reportable breaches to the Information Commissioners Office(ICO) this quarter. Any breaches which have been reported have been minor and have not involved multiple records. The Council has changed its email protection from Egrees to Inky which continues to assist in the prevention of data breaches.	2009/10
10	Inadequate staffing structure and resource for resilience	Fair	2	4	8	↓	Q1 26/27 - Recruitment activity is actively underway to address the identified resource constraints, with Essex County Council (ECC) providing support throughout the recruitment process. This mitigation is expected to strengthen capacity and capability within the team, reducing the likelihood and potential impact of the risk. Progress is being closely monitored, with ECC continuing to support the attraction, selection and onboarding of suitable candidates.	2021/22

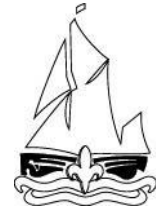
ID	Risk	Control Strength	Current Likelihood	Current Impact	Overall Risk Rating	Rating Travel	Recent Update	Year Raised
17	Failure to provide adequate building safety and access systems	Fair	2	4	8	↓	Q1 26/27 - The new system has been installed and fully operational; zoning of the MDC office functionality availability as required. Recommend risk closure.	2025/26
12	Lack of Temporary Accommodation & Social Housing to cope with demand	Fair	2	3	6	→	Q1 26/27 - Demand for temporary accommodation has remained stable, with proactive case management enabling the service to manage placements effectively and achieve positive outcomes for residents. Since joining the team, the Accommodation Officer has supported 19 households to secure privately rented accommodation, helping to reduce reliance on temporary accommodation and alleviate pressure on the housing register. Although the Council continues to face the constraints associated with being a non-stock holding authority, work is progressing to develop proposals for Members to consider the acquisition of three additional temporary accommodation schemes within the district. If approved, this would increase the Council's available provision, improve resilience within the service, and enhance our ability to respond to future housing demand.	2022/23
9	Failure to plan and deliver balanced budgets over the medium term	Good	1	5	5	→	Q1 26/27 - Finance Working Group have approved an approach to budget setting for 27/28 which will be included in Strategy & Resources papers (Medium Term Financial Strategy update) in July 2026. This will help ensure a balanced position is developed.	2008/09

Mitigating Actions

Multiple selections ▾

Risk ID	Risk	Action ID	Action	Completion Date	Status	Recent Update
10	Inadequate staffing structure and resource for resilience	13	Transforming Together Phase 2 feedback and comments will assist with determining the organisational design. New structure which will come into operation from 1st April 2026.	15/04/2026	Complete	Q1 26/27 - New Structure was implemented on the 1st April 2026, bedding down throughout the quarter. Recruitment to new/vacant roles is in progress.
8	Unable to recruit and retain staff with specific skills sets in specialist areas to meet the demands of the service	14	Recruitment campaign with external expertise's to be engaged for Q1 26/27 to support recruitment into key roles.	30/05/2026	Complete	Q1 26/27 - Essex County Council supporting the recruitment delivery following the implementation of transformation phase 2; advertising roles through a microsite and process/onboarding new officers.
10	Inadequate staffing structure and resource for resilience	15	Engaged services of Essex County Council to recruit to significant number of roles to implement the Phase 2 restructure.	30/08/2026	On track	Q1 26/27 - New Action
8	Unable to recruit and retain staff with specific skills sets in specialist areas to meet the demands of the service	16	Engaged services of Essex County Council to recruit to significant number of roles to implement the Phase 2 restructure.	30/08/2026	On track	Q1 26/27 - New Action

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REPORT of CHIEF EXECUTIVE

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
17 SEPTEMBER 2026

ANNUAL GOVERNANCE STATEMENT ACTIONS UPDATE

1. PURPOSE OF THE REPORT

- 1.1 To update the Committee on the actions identified in the Annual Governance Statement (AGS).

2. RECOMMENDATION

That the Committee reviews the Annual Governance Statement's table and updates below and comments where necessary.

3. SUMMARY OF KEY ISSUES

- 3.1 The AGS in its current format was approved by the Performance, Governance and Audit Committee (PGA) on 10 June 2021 (Minute No. 91 refers). In line with the Chartered Institute of Public Finance and Accountancy (CIPFA) best practice, it is reflective of governance matters and forward looking about where we could make improvements.
- 3.2 The report has an updated action plan for the year looking forwards and the Committee agreed that progress on the actions would be reported to and reviewed by the Committee.
- 3.3 The Action Plan is held on the Council's SharePoint system and updated by responsible officers.
- 3.4 The current table of actions and officer updates are detailed below for Member consideration.

Title	Owner	Status	Target Completion	Commentary
Ensure smooth transition for Local Government Reorganisation (LGR), and clarity on governance pre and post Vesting day	Cheryl Hughes	Ongoing	30/04/2028	Q1 - Work within Essex wide system and a Mid Essex Project Management Office has been established, to identify deliverables and governance mobilisation. This will be reported back through the Member Devolution and LGR working group and full council updates as it progresses further. (With activity ramping up more after the Structural Changes Order is laid in parliament)

Title	Owner	Status	Target Completion	Commentary
Engage with networks and activities to support Local Government Reorganisation (LGR), to ensure 'safe and legal' operations for vesting day	Cheryl Hughes	Ongoing	31/03/2028	Q1 - Work within Essex wide system and a Mid Essex Project Management Office has been established, to identify deliverables and governance mobilisation. Workstreams have been set up to start aggregation across the three districts looking at Housing, Planning and Revs. and Bens. This will be reported back through the Member Devolution and LGR working group and full council updates as it progresses further.
Look at ways to increase engagement for the staff survey, in light of decreased response rate from 65% to 50%	Cheryl Hughes Helen Norrington	Ongoing	31/12/2026	Q1 - This will be picked up when we start to scope the 2026 survey in the Autum
Review staff survey and identify actions to continue improvement, further to Decision Making Accountability work	Leanda Cable	Ongoing	31/03/2027	Q1 - The proposed action plan has been reviewed by Senior Leadership Team and circulated to Senior Management Team for comment and suggestions of specific actionables.
Review ICT strategy (due for 2027) in light of LGR	Grant Hulley	Ongoing	31/12/2026	Q1 - A review of the Technology Strategy has commenced to ensure alignment with the emerging LGR programme and to support greater strategic alignment across Brentwood Borough Council, Maldon District Council, and Chelmsford City Council. The primary objective of the review is to extend the current Technology Strategy through to April 2028, coinciding with the anticipated commencement of LGR, while establishing a clear framework to support the transition into, and ongoing development of, the future LGR operating model beyond that date.

Title	Owner	Status	Target Completion	Commentary
Identify an Asset Management Plan for the organisation.	Jon Sharkey			Q1 - Work is progressing on the development of the Council's Asset Management Plan. Current activity is focused on reviewing the Asset Register to identify maintenance, investment and improvement works required for the 2027/28 financial year, alongside a wider review of existing Maldon District Council assets. The Asset Management Plan will provide the operational framework for implementing the Council's Asset Management Strategy, translating the agreed strategic objectives into a structured programme of asset review, investment, maintenance, acquisition and disposal activities. The Plan will support informed decision-making, ensure assets are managed effectively throughout their lifecycle, and help align resources with corporate priorities. A first draft of the Asset Management Plan is scheduled for completion and internal review in September 2026, with further refinement and engagement to follow as part of the approval process.
Develop a Corporate Enforcement Policy	Mark Jaggard	Ongoing	31/03/2027	Q1 - Work is progressing, just provided opportunity for new Head of Environmental Health to review, then plan to move forward through the Overview and Scrutiny Committee and onto the Strategy and Resources Committee in the early Autumn.
Review developer contributions management process for the organisation	Mark Jaggard	Ongoing	31/03/2027	Q1 -Senior Leadership Team has reviewed business case for purchasing Exacom on 1 July 2026. If signed off by Finance, system will be in place for Building Safety Levy by end of August 2026. Phase 2 will be to get all the paper files and information spreadsheets transferred on the Exacom system. If delivered externally this could be 6 to 8 weeks following the Exacom system going live.

4. CONCLUSION

- 4.1 The information provided gives progress updates against the key actions defined in the AGS.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

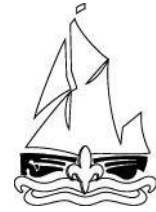
5.1 Good governance will enable delivery of strategic priorities going forwards.

6. IMPLICATIONS

- (i) **Impact on Customers** – Not applicable (N/A).
- (ii) **Impact on Equalities** – N/A.
- (iii) **Impact on Risk (including Fraud Implications)** – Good governance will help minimise our corporate risk for the future.
- (iv) **Impact on Resources (human)** – The monitoring and delivery of this item is provided within existing resources.
- (v) **Impact on Resource (Financial)** - The monitoring and delivery of this item is provided within existing resources.
- (vi) **Impact on Devolution / Local Government Reorganisation** - Good governance supports the delivery of strategic goals, corporate priorities and quality services

Background Papers: None.

Enquiries to: Cheryl Hughes, Head of Performance, Improvement and LGR.



**REPORT of
DIRECTOR OF NEIGHBOURHOOD SERVICES AND COMMUNITIES
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
17 SEPTEMBER 2026**

HEALTH AND SAFETY UPDATE - QUARTER ONE 2026 / 27

1. PURPOSE OF THE REPORT

- 1.1 To provide an update on Health and Safety (H&S) statistics and activity during Quarter One (Q1) 1 April to 30 June 2026.

2. RECOMMENDATIONS

- (i) That Members consider the accident and incident statistics and incidences of unacceptable behaviour reported;
- (ii) That Members consider progress of key health and safety themes (as per Section 3.2).

3. SUMMARY OF KEY ISSUES

3.1 Summary of reported incidents

- 3.1.1 The Council continues to report a good position regarding health and safety with relatively low numbers of reports and satisfactory control measures in place. There were Ten accidents and incidents, one near-miss and one hazard reported during Q1. Three accidents involved members of the public but could not be determined to be the result of deficiencies in Maldon District Council (MDC) assets or working practices. On two occasions MDC staff (Parks Team) provided assistance. Four accidents and one incident were investigated to determine root causes and prevent reoccurrence. Investigations are typically conducted where there is injury or the potential for significant harm. A table of reports can be found in **APPENDIX 1**.

	Accidents & Incidents	Hazards & Near Misses	No. where full investigation conducted*	No. where risk mitigation is recommended
Events involving MDC Staff	6	2	5	7
Events involving Public	4	0	0	0
Other	0	0	0	0

Number of accidents, incidents or near misses that are RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) Reportable are given in brackets. Diseases/ ill health suspected to be work related but not attributed to a particular event will be provided in the 'Other' designation. *A full investigation is normally conducted where injury is suspected to be caused by a defect in MDC assets or work processes or for an event where there was a significant likelihood of significant harm occurring.

- 3.1.2 There were nine incidents of unacceptable behaviour reported with six being by telephone, two in person, two via electronic means and one partner referral. One of the incidents experienced in person was a referral from our waste contractor who was injured by a member of the public whilst on a collection round. Severe incidents such as this are referred to MDC so it can implement measures to protect both contractor and council staff. Of the reports made, five were generated using the Council's 'quick capture' report form. All reports are reviewed by an administrator to ensure the correct categorisation and if necessary, support given. A table of incidents can be found in **APPENDIX 1**.

Type	Severity				Mitigative Measures	Police Notified
	High	Med	Low	Vex.		
In Person	0	1	1	-	1	1
Via e-mail	-	-	1	-	-	0
Via Telephone	-	0	4	2	0	0
Other Means*	-	1	-	-	1	0
Partner Referral	1	-	-	-	1	1

*Other Means – Unacceptable behaviour received by other means (e.g. indirectly via social media posts, or letter sent by post etc.). Vex. = Vexatious contact or contact with obstructive or malicious intent.

3.2 Health and Safety Actions

- 3.2.1 A number of actions are set out below. Work continues to progress these with all completed actions removed.

Subject	Action	Update / Progress
Emergency Procedures	(i) To revise and improve the fire and evacuation procedure at main MDC locations.	(i) New equipment installed to improve response to a range of emergency scenarios. Fire Marshals supplied with new roll call application and hardware in place to support occupant sign-out. (ii) Revised procedure to support new system is in draft
H&S Training	(i) To determine H&S training requirements (Corporate and Teams).	(i) Training plan for 2026-2027 in progress. Driver training for all staff completed. Asbestos awareness training administered to relevant teams. Training on conflict resolution (i.e. breakaway training) and workplace stress being arranged. Training of Senior Leadership Team (SLT) and Senior Management Team (SMT) on H&S assurance in progress.
Risk Assessment	(i) To ensure risk assessment register / master list is up to date and corporate	(i) Master list being monitored. Areas now

Subject	Action	Update / Progress
(RA)	and team risk assessments remain relevant and fit for purpose	require updating. Maintenance and Facilities Team documents to be merged in light of restructure. Status is reported via Service Plans. (ii) RA's required for Cemeteries Team due to reorganisation of Neighbourhoods, Services and Communities Directorate.
Lone Working	(i) To revise lone working procedure and to ensure implementation of appropriate hardware to support these measures.	(i) Draft procedure and risk grading of posts agreed by SLT. (ii) Lone worker devices procured and issued to teams along with training. Escalation pathways established.
Audit / Inspection	(i) To ensure departments and work locations across MDC are in compliance with health and safety legislation.	(i) Routine area inspections of assets such as depots and cemeteries now in place. An electronic reporting tool has been developed and implemented. (ii) Observation of working practices (i.e. 'site supervisions') established by many teams and will continue to roll out across the organisation. Additional work on the supervision of contractors is required and is in development.

3.3 Health and Safety Groups

3.3.1 Health and Safety is now reported quarterly to SMT, with relevant items taken to SLT as required. The Corporate Health Safety Manager meets routinely with the Assets, Countryside and Coast teams and wider Neighbourhood Services and Communities Directorate in order to monitor health and safety performance associated with relevant activities.

3.3.2 The Safety Action Team (of Safety Representatives) meet quarterly with minutes distributed via notice boards. Team membership is being reviewed in light of the organisational changes now implemented. The SMT will be approached for potential nominees in the near future.

3.4 System Resources

- 3.4.1 A monthly highlight report is submitted to SLT. The Corporate Health and Safety Manager attends SLT meetings as required or may communicate items via the Director of Neighbourhood Services and Communities.
- 3.4.2 Service plan targets for the directorates were rationalised from ten to six focus areas. Whilst the same coverage has been maintained, it was felt that a smaller number of target areas would simplify the reporting process. The targets went live in April 2026 with prompts for service heads to update progress made every two months. Whilst the Senior Leadership and Management Teams have been updated on the changes, requirements will be captured in forthcoming Health and Safety Assurance Workshop sessions.

Department defined performance against each assigned Health and Safety activity

Service Plan Tasks	H&S Policies	H&S training	Occupational Health Monitoring Requirements	On-Site Staff Supervisions	Risk Assessments (including DSE)	Work Area/Equipment/PPE Checks and Inspections
Assets, Coast & Countryside	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
Community Protection	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
Customer Services	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
Development Management & Building Control	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
Environmental Health, Waste & Climate Action	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
Finance	Not Started	Not Started			Not Started	
Housing Services	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
HR	Not Started	Not Started			Not Started	
IT	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
Legal & Governance	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
Planning Policy	Not Started	Not Started			Not Started	
Programmes, Improvement & LGR	Completed	Nearly Complete (75%+)			Completed	
Revenues & Benefits	In Progress (25% - 75%)	Started (up to 25%)	Under Review	Not Started	Under Review	Under Review
Strategy, Partnerships & Communications	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started

Service Plan Performance Data Captured 13-8-2026.

3.5 Fire Risk Assessments

- 3.5.1 Progress continues to be made in closing out the action items that were raised for the offices and depots. Some residual actions remain; however, the majority are now completed. A survey of fire doors at the main offices has identified non-compliance (to varying degrees) in a number of areas. Due to the age of some parts of the building, fire door remedial works may be difficult and potentially costly. It is suggested that remedial works proceed using a risk-based approach. With the installation of new fire detection and building access systems and the close-out of fire risk assessment action items, fire safety has improved markedly.
- 3.5.2 Work at the depot is on-going with progress being made. Some additional fire response precautions are now included on health and safety inspections that nominated staff perform on a routine basis. Both office and depot sites will require their routine fire drills in the near future.

3.6 Policies and Procedures

- 3.6.1 The Transport (driving at work) and Lone Working procedures were signed off by SLT and will now be distributed to staff.

3.7 Health and Safety Inspections

- 3.7.1 No mini-audit inspections were conducted in the period however staff are now conducting their own routine checks of depot and office areas. For oversight of health and safety at our leisure assets, the Council's contractor is continuing to work on systems that can be used to generate routine reports on its performance via agreed

key performance indicators. These are scheduled to commence in September when a dedicated MDC officer will be assigned to this work.

3.8 Legionella

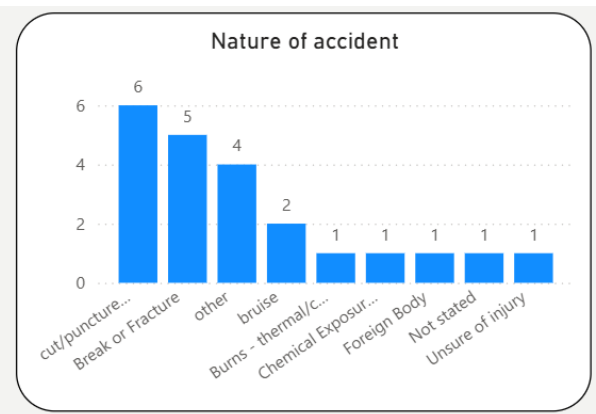
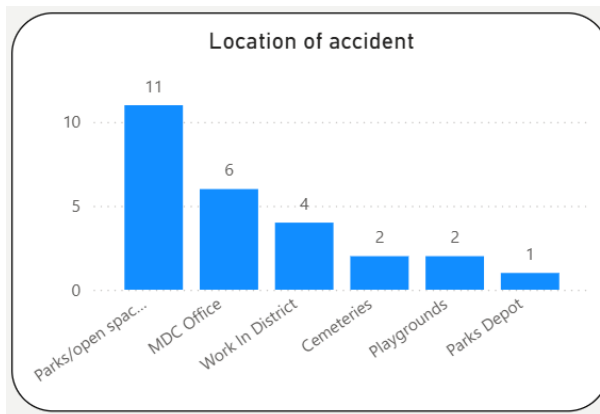
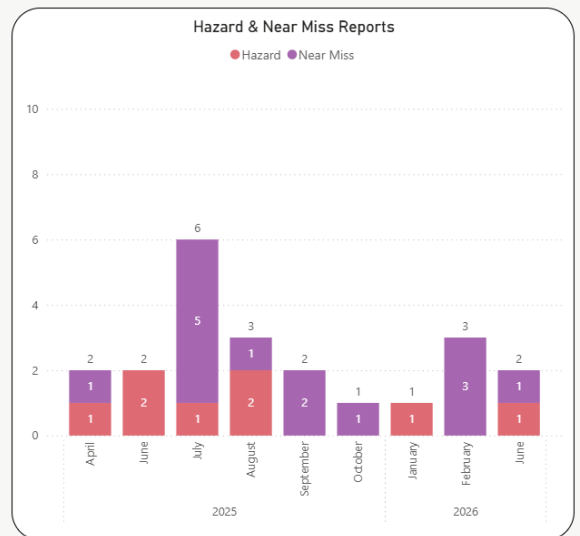
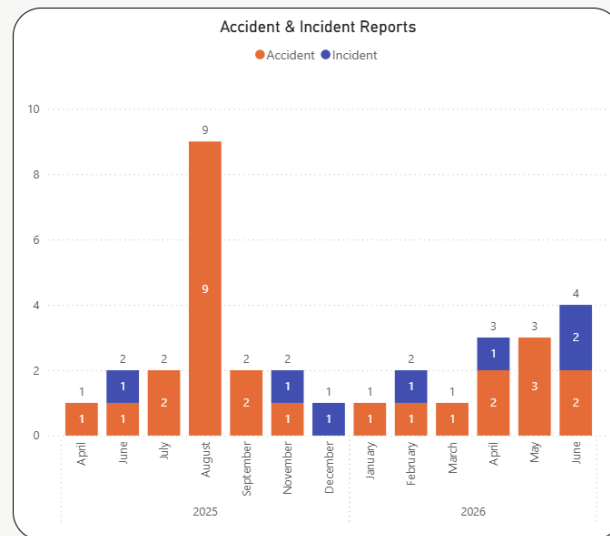
- 3.8.1 The contract for Legionella control is due for renewal. The Principal Assets Manager is exploring options with potential providers. New risk assessments will be commissioned upon start of the contract and provision will be made for periodic sampling to demonstrate the adequacy of the control measures that are in place. The potential for a contractor-based 'Responsible Person' (as defined by the Health and Safety Executive (HSE) approved Code of Practice L8) is being explored.

3.9 Training

- 3.9.1 During the period, driver coaching sessions for relevant staff were completed. These were well received and are now embedded as a mandatory requirement for all those who drive council-owned vehicles. Asbestos awareness sessions were delivered to appropriate staff since there was no record of previous training. Lone working refresher sessions commenced for the 2026-2027 as three years have passed since the last sessions. Fire Marshal training will similarly be renewed. Moving forward arrangements are now being made to procure training focussing on conflict resolution (i.e. breakaway training), for frontline staff and sessions looking at workplace stress and mental health. These will be targeted at those teams who frequently deal with difficult customers such those who most often report incidents of unacceptable behaviour.
- 3.9.2 Training sessions for the newly formed SLT and SMT have been scheduled and will commence shortly. Partnering with a firm of consultants who have a wealth of experience in cultural and behavioural safety, the training is intended to focus on the roles leadership play in supporting good health and safety and the responsibilities they have in ensuring the necessary safety arrangements are in place.
- 3.9.3 Work on administering the health and safety e-learning modules has been temporarily paused whilst a new training platform ('Boxphish') is introduced across the Council. Modules will require conversion to the new system by ICT. Progress will be reported in the next reporting period.

3.10 Accident-Near Miss Reporting

- 3.10.1 The period covers spring and early summer. A number of events were investigated during the period due to injury or exposure of staff to substances hazardous to health. Thankfully, in all cases the injuries concerned were minor and the event leading to exposure was of lower risk. We continue to include accidents and incidents reported to us by members of the public when using our assets, even when the root cause appears to be unrelated to MDC. This is adopted as a precaution as later investigation may prove differently, and MDC staff may become involved when offering assistance. Hazard and near-miss reporting were unremarkable during the period.



3.11 Health and Safety Audit

3.11.1 All actions are now closed.

3.12 Priorities going forward

3.12.1 The priority for the next quarter will continue to ensure that the rationalised health and safety targets are appropriately embedded, and that supporting documentation and reporting forms reflect the new corporate structure. Looking forward, work will commence on ensuring that the Council's operations are compliant with the Control of Substances, Hazardous to Health Regulations and to ensure that the contractors who it engages are properly controlled and supervised, using a standardised process.

4. CONCLUSION

4.1 Accidents, near misses and incidents of unacceptable behaviour during Q1 2026 / 27 have been set out within this report.

4.2 Proactive work on the main health and safety themes continues and good progress is being made, particularly with regards to lone working, driving at work and workplace inspections.

- 4.3 The training plan for 2026/2027 is being administered. Refresher sessions for lone working and fire marshal are in progress whilst sessions regarding conflict resolution and dealing with workplace stress are planned.

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

5.1 Delivering good quality services.

- 5.1.1 Good health and safety management of the workplace, for example, management of asbestos and legionella, helps provide a safer and healthier environment in which to live and work.

6. IMPLICATIONS

- (i) **Impact on Customers** – Good health and safety management reduces the number of accidents and injuries to both customers and employees alike. Reduced staff absence resulting from work related injuries or ill health ensures a better service is provided to customers.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk (including Fraud implications)** – Poor management and insufficient investment in health and safety can lead to accidents, injuries, occupational ill health or dangerous occurrences. This may result in avoidable sickness absence, regulatory intervention and/or civil claims. Effective risk management can build public trust, demonstrating the Council's commitment to the wellbeing of its communities and the responsible use of public resources.
- (iv) **Impact on Resources (financial)** – Costs associated with the initiatives set out in the report and other future initiatives, will be considered as part of the budget round 2026/ 27.
- (v) **Impact on Resources (human)** – Compliance is dependent upon Managers completing their Health and Safety actions within their service plans and having the time and resources to achieve this. The positive impact will be manifest through proactively preventing accidents and ill health, reducing reputational damage, personal injury and other associated costs. By investing in health and safety, which includes improving training and levels competence, staff will feel valued leading to better morale and staff retention.
- (vi) **Impact on Devolution / Local Government Reorganisation** - All employers, including local authorities are legally required to have a health and safety policy in place and are at risk of enforcement action if they fail to do so. Where authorities merge, details of the arrangements put in place for health and safety may need to change, but the general themes of policy (i.e. why, who and how the policy must be administered) will be broadly similar. It is anticipated that government re-organisation will lead to changes at an operational level which will be addressed using new procedures and supporting documentation when so required.

Background Papers: None.

Enquiries to: Paul Baccarini, Corporate Health and Safety Manager.

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Reporting Details

ACCIDENT/ INCIDENT REPORTS Q1 2026 / 27			
Event	Action	Note	Person
1-4-2026 (Accident) Member of staff cut their hand whilst loading lawn mower onto a vehicle	Staff Member went to walk in clinic for treatment. Steri-strips applied. Accident Investigated.	Recommendations made regarding method of securing tools to work vehicle.	Member of Staff
9-4-2026 (Accident) Maintenance Staff disturbed Artex ceiling coating containing asbestos during repair works.	Area closed off and contractors engaged to clean and declare the area safe. Relevant staff formally notified of incident.	Incident Investigated. Current asbestos survey results were inaccurate leading to the incident. Issue addressed with the contractor. Records adjusted. Noted that material was deemed of low risk.	Member of Staff
16-4-2026 (Incident) Member of Parks Team caused light damage to motorised tool with works vehicle when leaving site.	Incident recorded. Tool and vehicle checked. Damage not significant.		Member of Staff
17-5-2026 (Accident) Participants of a Triathlon event taking part on MDC owned land developed hypothermia. One person taken to hospital	No action required. Event organiser shortened the swim part of the event due to cold temperatures	Event organised in association with the British Triathlon Association. Health vetting questionnaire is used prior to the event. Not RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) reportable as not associated with MDC assets or activities.	Member of the Public
21-5-2026 (Accident) Whilst fitting electrical sockets to meeting room desk a socket swung down from a desk and struck member of maintenance staff in the eye causing injury	Eye wash used. No other treatment possible or necessary at the time. Accident Investigated.	Lost time injury as staff member was absent the next day. Advised that Manager checks Personal Protective Equipment (PPE) issued to staff to ensure current stocks are sufficient (although no evidence of insufficiency).	Member of Staff
31-5-2026 (Accident) Child injured on BMX track at Promenade Park. Nature and Severity of injury not stated.	Track is routinely inspected. No defect reported. No defect is claimed. Accident not investigated.	Injury reported by Mother of child. Accident associated with sporting activity. Mother feels Scooters should be prevented from using the track.	Member of the Public

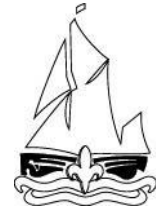
ACCIDENT/ INCIDENT REPORTS Q1 2026 / 27			
Event	Action	Note	Person
1-6-2026 (Accident) Child cut head whilst in Promenade Park. First aid assistance provided by Parks Team	Not investigated. Understood to be a slip or trip with no asset defect claimed.		Member of the Public
5-6-2026 (Incident) Member of staff suffered anaphylactic reaction to an unknown allergen.	Staff member self-administered epi-pin and further medicine obtained from home address with help of colleagues.	Cause unknown. Steps taken to ensure availability of Epi-pens and informing of first aiders on site (with permission).	Member of Staff
21-6-2026 (Accident) Whilst strimming vegetation a member of Parks staff reported debris came into contact with his eye	Eye checked by a member of staff. No treatment given/ possible. Staff member visited optician later that day. Accident Investigated.	Whilst PPE was being worn it was found that normal prescription glasses were being worn under protective visor. Safety glasses are required. Risk assessments adjusted to make this clear. Staff informed.	Member of Staff
22-6-2026 (Incident) Whilst undertaking duties, member of Parks Staff found a female unresponsive in an open space/grassed area. Nearby help sought. Person recovered and declined assistance	No action required. Nearby help from (female) first aider at adjacent premises requested and received.	Evidence suggested person maybe intoxicated.	Member of Public

NEAR MISS / HAZARD REPORTS Q1 2026 / 27			
Event	Action	Note	Person
9-6-2026 (Hazard) Whilst using a meeting room, a member of staff noted that a pull-cord on a window blind was overly long, presenting a hazard to children and vulnerable adults.	Facilities Team informed. Cord adjusted.	Meeting room off or reception area and potentially used by public.	Member of Staff
19-6-2026 (Near Miss) Whilst using a Park's gator vehicle a member of staff reported that the brakes did not function as expected. Vehicle was safe to continue to depot where it was taken out of use.	Vehicle checked in the depot by Park's Supervisor and issue could not be replicated. Vehicle taken to garage for further checks. No defect found. Incident investigated	Recommendation regarding manufacturer service intervals being placed on file and referenced in annual maintenance checks.	Member of Staff

UNACCEPTABLE BEHAVIOUR REPORTS Q1 2026 / 27			
Incident	Action	Note	Method
13-4-2026 Whilst speaking with a customer a member of the customer services team received unpleasant comments about their father who had passed away.	<i>Quick Capture report.</i> No action by default. Officer terminated the call immediately due to its upsetting nature.	Category E Verbal abuse (Low severity).	Telephone
14-4-2026 Whilst undertaking their bin collection duties a member of the public approach waste collection staff and become confrontational. A dog with the person bit one of the collection crew.	Third Party referral (from Suez) so no sanction applied. Incident recorded so as to keep MDC staff informed for their safety.	Category A Physical Assault with Injury (High severity). Perpetrator unknown. Address unknown. CCTV captured via waste vehicle.	In Person
17-4-2026 Member of the public came into the reception and became threatening quite quickly. Whilst many comments were indirect in their nature, they were of violent intent.	<i>Quick Capture report.</i> No action by default. Perpetrator left area to speak with Police. They were informed of the behaviour and are believed to have addressed this directly.	Category E Verbal abuse (Low severity).	In Person
23-4-2026 Whilst dealing with a customer via e-mail they contacted a member of staff using offensive language, whilst questioning their competence in a derogatory manner	<i>Quick Capture report.</i> No action by default.	Category G Made an allegation against staff/questioning professional competence. (Low severity).	E-mail
30-4-2026 Whilst taking part in a housing/homelessness interview a customer was abusive to staff members throughout. After the interview racist comments were made towards post office staff in the reception area.	Restriction of contact applied as a protective measure.	Category C Threats and intimidation via any form of communication. (Medium Severity)	In Person
15-5-2026 Whilst dealing with a customer for Building Control Team and Member of customer services experienced insulting and derogatory remarks about the officer concerned and towards themselves.	<i>Quick Capture report.</i> No action by default.	Category G Made an allegation against staff/questioning professional competence. (Low severity).	Telephone

APPENDIX 1

UNACCEPTABLE BEHAVIOUR REPORTS Q1 2026 / 27			
Incident	Action	Note	Method
2-6-2026 Member of the public wishing to speak with Waste Services would not provide contact information. Perpetrator called back to Customer Services with the same request. They would not provide information requested and were obstructive.	<i>Quick Capture report.</i> No action by default.	Category F Vexatious behaviour, unreasonable behaviour or demands. Perpetrator has been reported for unacceptable behaviour on a previous occasion. (Low severity).	Telephone
17-6-2026 Member of the public persistently contacting multiple council departments and conveying the same information.	Referred to Legal Services. Warning letter not felt appropriate at this stage.	Category F Vexatious behaviour, unreasonable behaviour or demands. (Low severity).	Telephone
26-6-26 When responding to questions put to the MDC Social media account the perpetrator made aggressive remarks aimed at the Member of Staff in the Communications Team	Social media accounts known to be used by by the perpetrator have been blocked from interacting with MDC.	Category D Verbal Abuse of a personal nature. Understood that the perpetrator is known for inflammatory comments and similar behaviour when interacting with local councils elsewhere. (Medium Severity)	Other electronic means



**REPORT of
DIRECTOR OF STRATEGY AND IMPROVEMENT**

**to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
17 SEPTEMBER 2026**

LEISURE CONTRACT UPDATE

1. PURPOSE OF THE REPORT

- 1.1 To provide Members with an update on the performance and delivery of the Leisure Management Contract, which commenced in March 2025.

2. RECOMMENDATIONS

- (i) That Members note the progress of the Leisure Management Contract, including the on-schedule refurbishment programme, stable membership performance, and the positive development of the social outreach programme;
- (ii) That Members note that financial performance is being delivered as set out in the contract. This includes the fixed management fee which is monitored monthly at operational contract meetings and reported quarterly via the Leisure Contract Partnership Board.

3. SUMMARY OF KEY ISSUES

- 3.1 The Leisure Management Contract commenced in March 2025. The contract includes an investment of £5.8m across the Council's leisure estate, the operation of the Council's leisure centres, delivery of health and wellbeing programmes, and a strengthened social outreach to support active lifestyles within priority communities.
- 3.2 Maldon District Council (MDC) has appointed an Active Living and Leisure Officer to manage the Leisure Management Contract moving forward. This Officer sits within the Health Integration and Wellbeing Team, reflecting the strategic ambition of the contract to achieve positive health outcomes for residents.
- 3.3 In Quarter One (Q1) the Health Integration and Wellbeing Team has been working with the contractor to strengthen operational plans and reporting through refreshed monthly reporting arrangements. Performance and financial information are cascaded up to the MDC Senior Leadership Team (SLT) monthly and to the Leisure Contract Partnership Board consisting of Members, Officers and Places Leisure management team which continues to meet on a quarterly basis.
- 3.4 Refurbishment works across the leisure facilities, continue to progress on time and within budget. No risks to the development project have been reported that are expected to impact delivery schedules. Key milestones achieved to date include:

- **Phase 1** – installation of new fitness suite and adventure climb facilities - completed
 - **Phase 2** – formation of two new studios - completed
- 3.5 The remaining two phase are on track for completion in Quarter Three:
- **Phase 3** – construction of a health suite
 - **Phase 4** – installation of a splash pad adjacent to the swimming pool to replace the river rapids feature.
- 3.6 Membership numbers across the leisure centres are performing in line with contract forecast. Membership numbers reduced slightly due to the swimming pool closure to accommodate Phase 4 demolition works at Blackwater Leisure Centre, but these are expected to increase again in line with the contract plan by the end of the year. Hot weather in Q1 has driven extremely high activity levels in the splash park in the Promenade Park.
- 3.7 With the contract now being managed within the Health Integration and Wellbeing Team, MDC and Places Leisure are collaborating on a Joint Strategic Needs Assessment (JSNA) to target priority neighbourhoods based on local demographics, deprivation levels, and specific health needs. A key outcome of this partnership is the strengthening of referral pathways to community initiatives, such as formal exercise referral schemes. This data-driven approach supports the Places Leisure enhanced social outreach programme that now includes a designated resource and has gained significant momentum in Q1. During this period, 71 referrals had been made from 17 unique clinical and non-clinical organisations. The support provides individuals, with long-term health conditions, a 12-week personalised programme (with regular touchpoint) with an Exercise Referral Specialist. Early feedback from participants and partners is highly positive, and the operator is currently developing further outreach initiatives for the year ahead. Further information on the success of these schemes can be found in **APPENDIX 1**.
- 3.8 There are currently no financial issues to report. The contract is delivering a fixed management fee to the Council which has the added security of a parent company guarantee. This has been incorporated within the Council's Medium-Term Financial Strategy (MTFS). This arrangement minimises the Council's exposure to financial risk and allows for better financial forecasting with the MTFS. The refurbishment programme remains within the approved budget, and contract performance is in accordance with expected financial projections with Year Two providing for an income to the Council. The finance model for the contract is shown at **APPENDIX 2**.

4. CONCLUSION

- 4.1 Governance arrangements for the Leisure Contract continue to operate effectively. Regular contract management meetings are being strengthened with the recruitment of the new Active Living and Leisure Officer, ensuring ongoing monitoring of performance, financial compliance, and progress against the refurbishment programme. In addition, the Leisure Contract Partnership Board, comprising representatives from Places Leisure management team, elected Members, and senior council officers, meets on a quarterly basis giving strategic direction, oversight and transparent reporting. This governance structure ensures strong accountability, supports early identification of any emerging issues, and reinforces the shared commitment across all parties to delivering high-quality leisure services and alignment with healthy outcomes for residents of the district.

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

5.1 Supporting our communities

- 5.1.1 The Leisure Contract is already helping to strengthen local communities by maintaining access to high quality, affordable leisure opportunities throughout the refurbishment period. Despite some temporary building disruption, the contractor has ensured continuity of provision and has actively engaged with its members to understand their needs and minimise inconvenience. The investment in modernised, more accessible facilities will support long-term improvements in health, wellbeing, and social inclusion, helping residents of all ages to lead active lifestyles.

5.2 Investing in our District

- 5.2.1 The refurbishment programme, on-going maintenance and periodical re-investment throughout the contract term represents a significant investment in the district's public infrastructure, enhancing the quality and lifespan of key community assets. Once complete, the upgraded centres will provide modern, energy efficient environments that reflect the Council's commitment to investing and improving the amenities available to residents.

5.3 Growing our economy

- 5.3.1 The Leisure Contract contributes to local economic growth by supporting employment, generating footfall, and creating opportunities for local suppliers and service providers. Refurbished, high quality-quality leisure facilities help attract visitors and encourage greater participation, which in turn supports the wider local economy.

5.4 Protecting our environment

- 5.4.1 Environmental considerations are embedded within the refurbishment works, with a focus on improving energy efficiency, reducing carbon emissions, and modernising building systems. The contractor is working to ensure that the upgraded facilities operate more sustainably, supporting the council's environmental objectives.

5.5 Delivering good quality services

- 5.5.1 The contract is performing well in its first year, with no concerns or risks identified, demonstrating strong governance via the Leisure Contract Partnership Board. Despite the refurbishment works, the contractor has maintained service standards and communicate clearly with customers. The modernised facilities, once complete, will further enhance the quality, reliability, and value of leisure services available to residents, aligning with the council's ambition to deliver consistently high quality-quality public services.

6. IMPLICATIONS

- (i) **Impact on Customers** – The refurbishment programme has inevitably resulted in some short-term disruption for customers, including temporary changes to facility access and adjusted timetables. These impacts have been proactively managed through clear communication, advance notice of changes, and the provision of alternative options wherever possible. Customer feedback continues to be monitored closely by Places Leisure, and

early indications suggest that users understand the long-term benefits of the investment and remain broadly supportive of the improvements underway.

- (ii) **Impact on Equalities** – Working collaboratively Places Leisure and Council officers have maintained a strong focus on equality considerations throughout the first year of delivery. Temporary arrangements introduced during refurbishment have been assessed to ensure they remain accessible and inclusive, with reasonable adjustments implemented where required. No adverse impacts on protected groups have been identified at this time, and the refurbishment works themselves will enhance accessibility options for exercise and activity.
- (iii) **Impact on Risk (including Fraud implications)** – There are currently no identified risks or concerns relating to contract performance, compliance, or fraud. The contractor continues to operate within the agreed governance framework, with regular reporting and management meetings in place to ensure transparency and accountability. Risks are reviewed routinely, and any emerging issues linked to the refurbishment programme are being managed effectively.
- (iv) **Impact on Resources (financial)** – The contract is performing within the expected financial parameters for Year 1 and represents a significant income to the Council over the 20-year contract term (c£500k per annum average). The refurbishment works are progressing in line with the approved budget, and no financial pressures or variances have been identified at this stage. Ongoing monitoring will continue to ensure that both operational costs and capital investment remain aligned with contractual commitments and support the Council's MTFS.
- (v) **Impact on Resources (human)** – There are no significant human resource implications for the Council arising from the contract currently. Places Leisure has maintained appropriate staffing levels to support service continuity during refurbishment. Places Leisure currently employ 66% staff that reside within the district (c120-150 staff dependent on season). The addition of a designated community staff member as part of the contract is proving successful in the initial months of the contract. Council officer time continues to be required for contract monitoring, but this remains within anticipated.
- (vi) **Impact on Devolution / Local Government Reorganisation** - There are no direct implications for local government reorganisation arising from the operation of the Leisure Contract in Year 1. The contract remains fully aligned with current governance structures.

Background Papers: None.

Enquiries to: Matt Turner, Head of Health Integration and Wellbeing.

Exercise Referral Programme

Clinical Referral Pathways

We support individuals with long-term health conditions through a 12-week personalised programme with regular touchpoints with an Exercise Referral Specialist.

Previously we have accepted referrals from GPs, health professionals & social prescribers, but we can now also receive referrals from nonclinical professionals via a new SOP

Non-Clinical Referral Pathway

Non-clinical referrers include professionals and organisations who's professional standards do not carry a statutory duty of care in making health-related referrals.

This may include:

Work and health coaches

Care coordinators & navigators

Community connectors

Third sector organisations such as (Stroke Association, MIND etc.)

Charities and volunteer groups

WHY?

In these cases, although the referring body may not have clinical oversight, the individuals they support are often living with long-term conditions and would benefit significantly from tailored, supervised physical activity through us Exercise Referral and other Healthy Communities programmes.

Q1 data (Apr-Jun)

Top Referring Organisations:

1. Longfield Medical Centre
2. Provide Physiotherapy
3. The Beacon Health Group

Top Conditions referred:

1. MSK
2. Osteoarthritis
3. Depression & anxiety

Total referrals received =

71

HUGE THANKS TO ALL OF OUR 17 UNIQUE REFERRING ORGANISATIONS THIS QUARTER.

ONS-4 Wellbeing scale mean outcomes



n.b. ONS-4 questionnaire items: individuals reported increased life satisfaction, happiness & worthwhileness, whilst reporting lower anxiety at Week 12 compared with Week 1.



**Places
Leisure**

Part of Places for People

Healthy Communities Updates

Page 158



Good Boost Programme: Starting Sep26

A new opportunity for people living with musculoskeletal (MSK) conditions, persistent pain and mobility challenges.

Delivered in the pool & on land, Good Boost Aqua and Land Sessions combine the benefits of water-based exercise with personalised support. Consists of an **8-week programme of facilitator-led 45-minute sessions**, helping participants improve movement, confidence and physical function in a supportive environment.

Plus, access to **Grab & Go sessions** at a range of times/days.

Movement Through Menopause

Endorsed by Menopause Movement, **Move Through Menopause** provides a safe and supportive environment for individuals to develop an informed, evidence-based understanding of menopause.

Delivered over 8 weeks, topics include: Hormones & HRT, Symptoms. Alternative Treatment, Future Health, Why Movement Matters, Menopause Mindset, Nutrition, Women's Health, Work & Lifestyle, and Life after Menopause.

First cohort launched 12/6/2026



Big Sister Project

Unlimited gym use during Junior Gym hours, including a gym Induction (for 11–15-year-olds)
Unlimited swimming

Age appropriate exclusive We Move classes

Tuesday 5-5.30pm (9-11yrs) and 5.30-6pm (11-15yrs)

Friendly on-site team, to support you through your activity

Free access to Places Leisure App and Virtual Studio which includes a Big Sister channel.

For further details on these and other programmes please see link below to Places Leisure latest Healthy Communities Newsletter:

Click Link: [Newsletter Q1 2026](#)

Alternatively, if you would like to know more contact:

madisonsmith@pfpleisure.org

Leisure Contract Finance Model

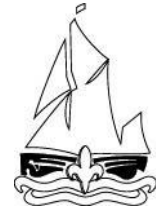
	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10	Year 11-20	Total
	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	2035-2045	
CAPITAL												
Expenditure (loan payable from MDC to PL)	3,600,000	2,200,000										5,800,000
Income (loan repayment from PL to MDC)	-462,714	-462,714	-462,714	-462,714	-462,714	-462,714	-462,714	-462,714	-462,714	-462,714	-4,627,140	-9,254,280
REVENUE												
Fixed management fee	229,719	-183,543	-514,549	-614,691	-733,096	-672,536	-694,742	-596,734	-690,528	-796,410	-4,758,680	-10,025,790
Total payable to MDC (loan repayment & management fee)	-232,995	-646,257	-977,263	-1,077,405	-1,195,810	-1,135,250	-1,157,456	-1,059,448	-1,153,242	-1,259,124	-9,385,820	-19,280,070

Key:

MDC..... Maldon District Council

PL Place Leisure

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**REPORT of
DIRECTOR OF STRATEGY AND IMPROVEMENT**

**to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
17 SEPTEMBER 2026**

UK SHARED AND RURAL ENGLAND PROSPERITY FUNDS

1. PURPOSE OF THE REPORT

- 1.1 To update Members on the progress of the UK Shared and Rural England Prosperity Funds (UKSPF) for the allocation period 2025 / 26.

2. RECOMMENDATION

That the Committee acknowledges the update provided on Maldon District Council's UK Shared and Rural England Prosperity fund allocations for 25 / 26 and continues to monitor the delivery.

3. SUMMARY OF KEY ISSUES

- 3.1 In the Autumn Budget 2024, the Chancellor confirmed the continuation of UKSPF for a further year, which will allow local authorities to invest in local growth, in advance of wider funding reforms.
- 3.2 A report was brought to the Strategy and Resources Committee on 23 January 2025, which granted delegated authority to the Corporate Leadership Team (now Senior Leadership Team (SLT)) to identify projects for delivery in consultation with the Leader of the Council and the Chairperson of the Strategy and Resources Committee, under UKSPF.
- 3.3 That report also recommended to the Council that 100% match funding of the UKSPF 2025 / 26 allocation be provided from the Council's Reserves. This recommendation was approved by the Council on 13 February 2025 (Minute No. 537 refers), and resulted in a total delivery fund of £654,292.
- 3.4 At the Council meeting on 3 April 2025, Members approved the proposed projects to be delivered detailed were presented in the report. At the same meeting, an [Addendum](#) paper was presented outlining Maldon District Council's allocation for Rural England Prosperity Fund (REPF) 2025 / 26 (£129,077). Members granted delegated authority to the Chief Executive, in consultation with the Leader of the Council, Chairperson of the Strategy and Resources Committee, and Ward Members, to identify projects for delivery via REPF funding.
- 3.5 As required by the Ministry of Housing, Communities and Local Government (MHCLG), the Council submitted its forecast spend, outputs and outcomes for 25 / 26. The MHCLG has confirmed that the submission has been accepted.

- 3.6 Of the £783,369 available budget, from UKSPF (£327,146), REPF (£129,077) and the Council's match fund (£327,146), £753,093.19 of actual spend has been incurred. This represents 96.14% of funding spent Updates on the individual project progress is contained within **APPENDIX 1**.

UK Shared Prosperity Fund (UKSPF) Allocation	£327,146	Remaining	£3,502
Rural England Prosperity Fund (REPF)	£129,077	Remaining	£2,830
Maldon District Council Match Funding	£327,146	Remaining	£23,943
	£783,369		£30,276

- 3.7 In January 2026, the MHCLG issued notification to confirm that UKSPF and REPF 2025/2026 delivery could now continue to 30 September 2026. This is an extension of the spend eligibility deadline, which was previously 31 March 2026. All the projects are still proposed to complete by the original deadline, however, where it is prudent to do so, for value for money, or further robustness of delivery can be obtained, the end dates will be amended. The Council will be expected to continue reporting up to 30 September 2026 regardless of whether all projects have completed.
- 3.8 Officers across the authority will continue delivery of the remaining projects over the funding period and submit the final MHCLG return by 2 November 2026 as required. The final report will be presented to the Performance, Governance and Audit Committee meeting on 12 November 2026.

4. CONCLUSION

- 4.1 UKSPF and REPF continues to present a significant opportunity for the Maldon District to support, through direct investment, in our economy, businesses and communities.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 28

5.1 Supporting our communities

- 5.1.1 The UKSPF and REPF investment priority of Communities and Place directly supports this through the theme of:

- Healthy, Safe and Inclusive Communities.

5.2 Investing in our district

- 5.2.1 The UKSPF and REPF investment priority of Communities and Place directly supports this through the theme of:

- Thriving places.

5.3 Growing our economy

- 5.3.1 The UKSPF and REPF investment priority of Supporting Local Business directly supports this through the theme of:

- Supporting local business.

5.4 Protecting our environment

- 5.4.1 Projects delivered under UKSPF will aim to directly support the authority's Climate Action Strategy and Climate Action Plan.

6. IMPLICATIONS

- (i) **Impact on Customers** – Any project delivered will be designed to benefit residents / businesses and ensure there is significant customer benefit from its outputs.
- (ii) **Impact on Equalities** – Projects will be delivered in accordance with the Public Sector Equality Duty.
- (iii) **Impact on Risk (including Fraud implications)** – Delivery will be reported through the Council's Project Management Office monthly, which records and reports risk. A separate Fraud Risk Assessment, issued by the MHCLG, is maintained. The Council faces increased reputation risk if it fails to deliver to the expectations of stakeholders.
- (iv) **Impact on Resources (financial)** – The authority has agreement to use 6% of its allocation to support the management and administration of the UKSPF programme. However, with the cost of doing business and supply chain pressures still being significant, it will be prudent to regularly assess projects to ensure viability and value for money. The Council has already committed to match 100% fund the UKSPF allocation and replenish REPF in 2026 / 27 from its own Reserves.
- (v) **Impact on Resources (human)** – The coordination work for UKSPF work will be undertaken by the Head of Economic Development. Project delivery will need to be well supported by resources drawn from the wider organisation. Project Managers have been identified and are required to report through the Project Management Office monthly.
- (vi) **Impact on Devolution / Local Government Reorganisation** – None, the funding is not affected by changes arising from Devolution and Local Government Reorganisation.

Background Papers:

APPENDIX 1 – UK Shared and Rural England Prosperity Funds 2025 / 26 Project Delivery
[UK Shared Prosperity Fund 2025-26: Technical note - GOV.UK](#)
[Rural England Prosperity Fund: prospectus updates for 2025 to 2026 - GOV.UK](#)
[UKSPF 2025-26 allocations - GOV.UK](#)
[Rural England Prosperity Fund: Allocations 2025 to 2026](#)

Enquiries to: Leanda Cable, Director of Strategy and Improvement.

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UK Shared and Rural England Prosperity Funds 2025/26 Project Delivery

Project	Budget	Spend to date	Funding Source	Estimated Completion Date	Project Update
Ufest 2025	£4,000.00	£3,595.66	UKSPF	Completed	Complete – as per 18 September 2025 report.
Saltmarsh Fest 2025	£10,000.00	£9,754.58	UKSPF	Completed	Complete – as per 29 2026 January report.
Increase tourism budget	£12,000.00	£11,302.67	UKSPF	Completed	Complete – as per 4 June 2026 report.
Culture and Heritage Strategy	£25,000.00	£25,000.00	UKSPF	Completed	Approved by the Strategy and Resources Committee on 11 June 2026. Fully costed action plan to be presented at Committee later this year.
North Essex Economic Board Business Support	£26,675.00	£26,675.00	UKSPF	Completed	Complete – as per 4 June 2026 report.
One Maldon District Partnership - Thriving Places Grant scheme	£60,000.00	£59,461.80	UKSPF	30 September 2026	Seven projects have been approved by the One Maldon District Partnership Thriving Places Grant panel and are in delivery. These are: • Dementia Friendly and Suicide Prevention coordination support, • Youth Sector Strengthening, • Winter Support Plan, • Mental Health Support and Training, • Community Asset Upgrade • Youth Physical Activities
VE Day Event	£2,540.00	£2,540.00	UKSPF	Completed	Complete – as per 18 September report.
99 Wood Road Community Supermarket Location	£20,000.00	£20,000.00	UKSPF	Completed	Complete – as per 29 January report.

UK Shared and Rural England Prosperity Funds 2025/26 Project Delivery

Project	Budget	Spend to date	Funding Source	Estimated Completion Date	Project Update
Management and Administration	£16,004.00	£15,774.83	UKSPF	30 September 2026	Part of the funding has been utilised to increase the Tourism and Marketing Officer's hours to full time. This allows for supporting the delivery of several projects. The remainder will be utilised to implement the required branding for both UKSPF and REPF.
Community Grants Scheme – Where Quality of Life Matters	£296,520.00	£272,576.81	MDC	On-going until budget allocated (further budget allocated as BAU 26/27 £129,077)	Phase 1 (P1) project approved: 37 P1 projects in delivery: 29 P1 projects successfully completed: 5 P1 projects awaiting payment: 3 (subject to milestones) Phase 2 projects received: 2
Community Grant Officer Post	£51,553.00	£50,165.00	UKSPF 25/26 Maldon District Council 26/27	30 September 2026	Officer completing role as expected.
Continued development of 'Secret Garden' at Promenade Park	£198,000.00	£195,169.84	UKSPF REPF	Completed	Complete – as per 29 January report. Small overspend to be offset by underspends from completed projects
Delivery of cultural event activities within the district	£25,000.00	£25,000.00	UKSPF Maldon District Council	30 September 2026	Agreement has been issued to support the ' Home Town Row' event in Burnham-on-Crouch. The event is a historic world-first challenge with an unsupported crossing of the North Atlantic from Canada to Burnham-on-Crouch.
Concession infrastructure Riverside Park	£18,038.00	£18,038.00	REPF	Completed	Complete – as per 12 March report.

UK Shared and Rural England Prosperity Funds 2025/26 Project Delivery

Project	Budget	Spend to date	Funding Source	Estimated Completion Date	Project Update
Make Space for Girls BOC	£18,039.00	£18,039.00	REPF	30 September 2026	Scope of works is being agreed by the project team, taking into consideration feedback from Ward Members and the school consultation report.
	£783,369.00	£753,093.19			

UKSPF Allocation	£327,146	Remaining	£3,502
REPF	£129,077	Remaining	£2,830
Maldon District Council Match Funding	£327,146	Remaining	£23,943
	£783,369		£30,276

96.14% of budget spent

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- KEY:
- BAU.....Business As Usual
 - BOCBurnham-on-Crouch
 - P1.....Phase One
 - REPF.....Rural England Prosperity Fund
 - UKSPFUK Shared Prosperity Fund
 - VEVictory in Europe

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