MINUTES of
FINANCE AND CORPORATE SERVICES COMMITTEE
12 MARCH 2019

PRESENT

Chairman	Councillor D M Sismey
Vice-Chairman	Councillor I E Dobson
Councillors	P G L Elliott, A S Fluker, B E Harker and Rev. A E J Shrimpton
Ex-Officio Non-Voting Member	Councillor(s) B S Beale MBE and Mrs M E Thompson

944. CHAIRMAN'S NOTICES

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

945. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mrs B F Acevedo and M S Heard.

946. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 29 January 2019 be approved and confirmed.

947. DISCLOSURE OF INTEREST

There were none.

948. PUBLIC PARTICIPATION

No requests had been received.

949. HUMAN RESOURCES STATISTICS - QUARTER THREE 2018/19

The Committee received and noted the report of the Director of Resources presenting Human Resources statistics for the period 1 October to 31 December 2018 (Quarter Three (Q3)).

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

- Staff Turnover;
- Recruitment, including vacancies;
- Agency workers – Appendix 1 to the report set out agency expenditure for Q3;
- Staff Sickness Levels;
- Attendance Management Compliance;
- Workforce Statistics – attached as Appendix 2 to the report.
- Exit Questionnaire Analysis.
- Future Model.

It was noted that as a consequence of the implementation of the Future Model, a hold had been placed on all non-essential recruitment. There had been a moderate amount of recruitment during Quarter Two, with all internal and external appointments recruited to being on a fixed term or agency basis. Human Resources (HR) continued to work with the Corporate Leadership Team and Ignite regarding implementation of the people, culture and change work streams under the Future Model.

Members noted that the overall staff sickness levels were 1.51 days per Full Time Equivalent and this was a significant reduction from Quarter One.

Councillor A S Fluker proposed that the report be noted, this was duly seconded and agreed.

RESOLVED that the contents of the report be noted.

950. UPDATED RATE RELIEF POLICY

The Committee considered the report of the Director of Service Delivery seeking Members' approval of the updated Discretionary Non-Domestic Rate Relief Scheme (attached as Appendix 1 to the report). This Scheme updated and replaced the Councils existing policy to reflect changes announced by Central Government to support retail businesses. It was noted that the new Scheme would be fully funded by Central Government.

Members were advised that the new Retail Relief Scheme would enable additional financial support of up to one third of the total rates bill for eligible retail businesses with a rateable value of less than £51,000.

RECOMMEDED that the proposed Discretionary Non-Domestic Rate Relief Scheme attached as **APPENDIX 1** to these Minutes be approved.

951. HOUSES IN MULTIPLE OCCUPATION LICENSING FEES

The Committee considered the report of the Director of Resources seeking Members' approval of the revised Houses in Multiple Occupation (HMO) licence fee and the HMO licence renewal fee.

The report provided background information regarding the introduction of the HMO Licensing which came into force in 2006. It was noted that in October 2018 the mandatory licensing of HMOs was extended to all HMOs occupied by five or more persons, irrelevant of the number of storeys. This had led to a number of additional licence applications and in light of this the current licence fee had been reviewed and revised to allow the Council to cover its related costs. The report set out a proposal to introduce a renewal fee and Appendix 1 to the report set out the proposed fee along with the new licence application fee. A breakdown of how these fees had been reached was also provided. Members were advised that these fees had been benchmarked against other Essex Local Authorities.

RESOLVED that the proposed Houses in Multiple Occupation licence fee and renewal fee be agreed.

952. SUPPLEMENTARY ESTIMATES, VIREMENTS AND USE OF RESERVES: 1 JANUARY TO 14 FEBRUARY 2019

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

Members were advised that there had been three procurement exemptions approved during the period 1 January to 14 February and these related to:

- dredging of the Hythe Quay (£20,000);
- installation of the surface at the galleon, Promenade Park (£16,000);
- extension to the Burnham-on-Crouch pontoon (externally funded by the Coastal Communities Grant - £35,245).

There were no supplementary estimates, virements or drawback on reserves to report for this period.

RESOLVED that the procurement exemptions detailed in the report be noted.

953. ANNUAL REVIEW OF FINANCIAL REGULATIONS

The Committee considered the report of the Director of Resources proposing revisions to the Financial Regulations as part of the regular annual review.

It was noted that the Financial Regulations had been updated to reflect the new leadership structure and practices within the Authority. A table of changes along with the updated Financial Regulations were attached at Appendix 1 to the report. The

Director of Resources advised that this document would require further amendment following confirmation of the new Committee Structure Terms of Reference.

RECOMMENDED that the Financial Regulations as set out in **APPENDIX 2** to these Minutes be approved.

954. PAY POLICY STATEMENT

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

It was noted that the Pay Policy Statement was attached as Appendix 1 to the report and reflected the current arrangements for pay at the Council. The only change was to reflect the new structure of the Council.

Councillor A S Fluker proposed that the Pay Policy Statement be recommended to the Council for adoption for the financial year 2019 / 20. This was duly seconded and agreed.

RECOMMENDED that the Pay Policy Statement attached as **APPENDIX 3** to these Minutes be adopted for the financial year 2019 / 20.

955. EXCLUSION OF THE PUBLIC AND PRESS

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

956. DISPOSAL OF LAND AT SPRINGFIELD ROAD, BURNHAM-ON-CROUCH

The Committee considered the report of the Director of Resources presenting an offer received to purchase a plot of land in the Council's ownership on Springfield Road, Burnham-on-Crouch.

Members were reminded that the Committee, at its meeting in September 2018, had resolved for the Director of Resources in conjunction with the Chairman of the committee to renegotiate to sell the land subject to a further report back and final approval by this Committee. The report provided background information following this meeting and advice provided by the Council's Monitoring Officer.

In response to questions, the Director of Resources provided Members with further information regarding the original valuation costs and the viability assessment carried out.

Councillor A S Fluker proposed that the recommendation as set out in the report be agreed. This was duly seconded. Councillor Fluker also proposed that this be a recommendation to the Council which was agreed and the Director of Resources that this should have been detailed as such in the report.

RECOMMENDED that the piece of land identified in the report at Springfield Road, Burnham-on-Crouch be sold for a value of £250,000 with a further option at a minimum price of £250,000 and uplift determined by the external valuer should any further residential development take place on the site.

957. BUDGET GROWTH ITEM - GREEN WASTE CONTRACT

The Committee considered the report of the Director of Service Delivery seeking Members' approval for additional budget growth to enable short-term funding for a fourth garden waste vehicle which would allow the service to accept further customers.

It was noted that the number of garden waste customers had significantly increased since procurement of the contract with an additional 2,015 bins being added. Members were advised that as of January 2019 260 residents were a waiting list to join the service. The report highlighted discussions with the contractor to accommodate those on the waiting list, additional new customers and provided related income and expenditure and predicted subscription growth.

In response to a question, the Director of Resources advised that the additional vehicle would clear the current waiting list and provide capacity for a further 1,200 customers. The Director also confirmed that the Council would keep the advertising rights in respect of the new vehicle.

RESOLVED

(i) That a maximum of £32,000 budget growth be allocated to fund a fourth green waste vehicle and associated staffing costs to enable the service to accept further customers;

(ii) That due to the final balance will be reported to the Finance and Corporate Services Committee by 28 February 2020.

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

D M SISMEY
CHAIRMAN

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

Version Control

Version	*Version date*	*Revised by*	*Description*
1	June 2017	LM	Policy
2	June 2017	DA	Revisions
3	July 2017	LM	Revisions
4	July 2017	DA	Sign Off
5	October 2017	LM	Revisions MLM
6	November 2017	LM	Revisions MLM
7	January 2019	LM	Full update of policy

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1.0 Purpose of the Policy

1.1 The purpose of this policy is to determine the level of discretionary relief and related areas to be granted to certain defined ratepayers within the Council's area.

1.2 The Local Government Finance Act 1988 and subsequent legislation requires the Council to grant mandatory relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise, certain premises situated within a rural settlement area will be eligible for mandatory relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the Council feels the granting of such relief would be of benefit to the local community.

1.3 In addition to the above, Central Government is keen that in certain cases, assistance should be provided to businesses who have had increases in their rate liability due to the revaluation of premises in April 2017. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.

1.4 Whilst the Council is obliged to grant relief to premises, which fall within the mandatory category, the Council also has powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met. In the case of the new reliefs, some guidance has been issued by Central Government outlining actions expected to be taken by local authorities. This policy includes Government guidance where appropriate but also looks to target discretionary relief in line with the Council's priorities.

1.5 This document outlines the following areas:

- Details of the criteria for receiving Discretionary Reliefs for all relevant areas;
- The Council's policy for the granting of all types of Discretionary Reliefs;
- Guidance on granting and administering the reliefs and awards;
- European Union requirements including provisions for State Aid; and
- The Council's Scheme of Delegation.

1.6 Where organisations apply for relief they will be granted (or not granted) relief or reductions in line with the following policy.

2.0 Mandatory Relief - Legislative Background

Charity Relief

2.1 The powers relating to the granting of mandatory[1] and discretionary relief are given to the Council under the Local Government Finance Act 1988[2]. Charities and Trustees for Charities are only liable to pay one fifth of the Non-Domestic Rates that would otherwise be payable where property is occupied and used wholly or mainly for charitable purposes. This amounts to mandatory relief of 80%. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. The provision has been extended under the Local Government Act 2003 (effective from 1st April 2004) to registered Community Amateur Sports Clubs (CASCs). Full details of the mandatory provisions are given later within this policy.

2.2 In the case of charity shops, the premises must meet the criteria laid down by section 64 (10) of the Local Government Finance Act 1988 which states that the premises are to be treated as used for charitable purposes at any time it is wholly or mainly used for the sale of goods donated to the charity and the proceeds of goods (after any deductions for expenses) are applied for the purpose of the charity.

2.3 The Council has discretion to grant relief of up to a further 20% for these mandatory cases under its discretionary provisions.

Rural Rate Relief

2.4 From 1st April 1998, under powers originally granted to the Council by the Local Government and Rating Act 1997[3], certain types of business in rural settlements, with a population below 3000 may qualify for mandatory rate relief of 50 per cent. Businesses that qualify for this relief are the sole general store and the sole post office in the settlement, provided it has a Rateable Value of up to £8500; any food shop with a Rateable Value of up to £8500; and the sole pub and the sole petrol station in the settlement provided it has a Rateable Value of up to £12500.

2.5 From 1st April 2017, Central Government has indicated that it wants all authorities to give 100% relief to premises that receive mandatory rural rate relief. The legislation enabling this will not be forthcoming until 2018 and therefore it has indicated that where the additional 50% is granted, a section 31 grant will be made available to the Council. This is dealt with further within this policy and the Council will automatically grant the additional 50% discretionary relief where appropriate

2.6 Where businesses in rural settlements have a Rateable Value of up to £16,500 **and** are not in receipt of mandatory relief, the Council may decide to give up to 100 per cent discretionary relief if it is satisfied that the business is of benefit to the community and having regard to the interests of its Council Taxpayers.

[1] S43 & S45 Local Government Finance Act 1988
[2] S47 & S48 Local Government Finance Act 1988
[3] LGFA 1988, s.47, as amended by Sch. 1 to the Local Government and Rating Act 1997

3.0 Discretionary Relief – Legislative Background

Introduction

3.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to 'top' up cases where ratepayers already receive mandatory relief.

3.2 Over recent years and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide more assistance to businesses and organisations.

3.3 The range of bodies, which are eligible for discretionary rate relief, is wide and not all of the criteria laid down by the legislation will be applicable in each case.

3.4 Unlike mandatory relief, ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information and evidence as required in order to determine whether relief should be awarded.

3.5 The Council is obliged to consider carefully every application on its merits, taking into account the contribution that the organisation makes to the amenities within the authority's area. There is no statutory appeal process or Tribunal against any decision made by the Council although, as with any decision of a public authority, decisions can be reviewed by Judicial Review. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.

3.6 Granting of the relief falls broadly into the following categories:

a. Discretionary Relief – Charities who already receive mandatory relief.
b. Discretionary Relief – Premises occupied by organisations not established or conducted for profit whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts **or** premises occupied by organisations not established or conducted for profit and wholly or mainly used for purposes recreation;
c. Discretionary Relief – Rural Rate relief - premises that already receive mandatory relief;
d. Discretionary Relief – Rural Rate relief - premises not receiving mandatory relief but of benefit to the local community and less that £16,500 RV;
e. Discretionary Relief – Granted under the Localism Act 2011 provisions;
f. Local Newspaper Relief (from 1st April 2017 for a period of three years);
g. Local Public House Relief (from April 2017 for a two-year period);
h. Supporting Small Businesses Relief (from 1st April 2017 for a period of five years or until business pay their full rate charge or their transitional rate charge (calculated in accordance with the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016));
i. Discretionary Business Rates Relief Scheme (from 1st April 2017 for a period of up to four years);
j. Retail Discount Scheme; and
k. S49 Hardship Relief.

3.7 The decision to grant or not to grant discretionary relief is a matter purely for the Council.

The Council's general approach to granting Discretionary Relief

3.8 In deciding which organisations should receive discretionary rate relief, the Council has considered the following factors and priorities:

a. The awarding of relief will be in line with the Council's vision and values. Details can be found at
b. That any award should support business, charities, organisations and groups that help to retain services in the Council's area and not compete directly with existing businesses in an unfair manner;
c. It should help and encourage business, charities, organisations, groups and communities to become self-reliant;
d. Awarding discretionary relief should not distort competition or significantly change the provision of services within the Council's area;
e. Local organisations will be given priority over national organisations. Where requested, the organisation will need to supply the Council with clear evidence of **all** financial affairs (normally two full years) including, and most importantly, the amounts of monies raised, used and invested locally. This will be essential where the organisation is national in nature;
f. To enable appropriate organisations to start, develop or continue their activities, which deliver outcomes to the community and that also relate to the priorities of the Council, which without granting discretionary relief they would be unable to do;
g. To assist the Council in delivering services which could not be provided otherwise;
h. To enable the Council to determine the level of rate change in comparison with the organisation's financial situation; and
i. To ensure that the financial impact of awarding discretionary business rate relief is justified in terms of the local outcomes achieved by the organisation receiving it;

3.9 Where any reduction or remission is granted to a ratepayer under S49 Local Government Finance Act 1988 where hardship is proven to the Council, then there will be no requirement to grant Discretionary Rate Relief for that amount.

3.10 In certain cases, the order in which relief is granted is specified. Mandatory relief shall be granted in all cases where the criteria is met irrespective of whether discretionary relief can be granted or not.

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

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

any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

4.0 Effect on the Council's Finances

4.1 The granting of discretionary relief will, in the main, involve a cost to the Council. Since the change to the funding for Non-Domestic Rating in April 2013, the effect of the relief is complex.

4.2 Any amounts granted prior to 1st April 2013 and continuing since that date will be included in the Council's baseline within the Business Rates Retention Scheme. For any amounts granted for similar cases after 1st April 2013, the costs of the relief will be borne in accordance with the Business Rates Retention Scheme share namely 50% borne by Central Government, 40% by the Council and 10% by Essex County Council. This also applies where mandatory relief is granted. From 2020 the overall percentage of rates retained by local authorities will change in line with the 75% Business Rates Retention scheme announced by Central Government.

4.3 Where Central Government leads an initiative, grants are often available through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas

4.4 The financial effects of discretionary reliefs covered by this policy are as follows:

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

Appendix	Relief Type	Granted after 1st April 2013
	Supporting Small Business Relief	
H	Supporting Small Businesses Relief (from 1st April 2017 for a period of up to five years if conditions are met	Section 31 Grant
	Discretionary Business Rates Relief Scheme	
I	Discretionary Business Rates Relief Scheme (from 1st April 2017 for a period of up to four years)	Section 31 Grant up to a maximum level set by Central Government. Once the maximum has been reached any additional amount is borne 40% by the Council
J	**Retail Discount**	
	The Retail Discount Scheme (from 1st April 2019 for a period of up to two years)	Section 31 Grant
	S49 Hardship Relief	
K	Partial or full relief for cases of hardship where it would be reasonable to do so having due regard to the interests of council tax payers	40% borne by the Council

5.0 Discretionary Relief – EU State Aid requirements

5.1 European Union competition rules generally prohibit Government subsidies to businesses. Relief from taxes, including non-domestic rates, can constitute state aid. The Council must bear this in mind when granting discretionary rate relief.

5.2 Rate relief for charities and non-profit making bodies is not generally considered to be state aid, because the recipients are not in market competition with other businesses. However, where other bodies receive relief and are engaged in commercial activities or if they are displacing an economic operator or if they have a commercial partner, rate relief could constitute state aid.

5.3 Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)[4] . The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years).

5.4 Where the relief to any one business is greater than the De Minimis level, then permission will need to be obtained from the European Commission. In such cases the matter will be referred to the Department for Communities and Local Government (DCLG) for advice and then referred back to the Council for consideration. It will be for the ratepayer to provide confirmation as to whether the State Aid provisions apply to them.

5.5 In all cases, where discretionary relief is to be granted or where liability is to be reduced, when making an application, ratepayers will be required to provide the Council with sufficient information to determine whether these provisions are applicable in their case.

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

6.0 Administration of Discretionary Relief

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

Applications and Evidence

6.2 All reliefs must be applied for. Application forms are produced by the Council both in hard copy and electronic format. The relevant application forms available on line using the following links

- General Discretionary application form
- CASC, charities and not for profit additional questions

6.3 Organisations are required to provide a completed application form plus any such evidence, documents, accounts (normally the last two years), financial statements etc. necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit premises and we would expect organisations claiming relief to facilitate this where necessary.

6.4 Applications should initially be made to the Revenues and Benefits Services and will be determined in accordance with Section 7 of this policy.

6.5 **The Council will provide this service and provide guidance free of charge. Ratepayers are encouraged to approach the Council direct and NOT pay for such services through third parties.**

Granting of relief

6.6 In all cases, the Council will notify the ratepayer of decisions made.

6.7 Where an application is successful, then the following will be notified to them in writing:

- The amount of relief granted and the date from which it has been granted;
- If relief has been granted for a specified period, the date on which it will end. (It should be noted that reliefs are granted for the period specified in the appropriate Appendix and may vary from a day to a full financial year);
- The new chargeable amount;
- The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and

[5] The Non-Domestic Rating (Discretionary Relief) Regulations 1989

- A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to relief.

6.8 Where relief is not granted, then the following information is provided, again in writing:
- An explanation of the decision within the context of the Council's statutory duty; and
- An explanation of the appeal rights (see below).

6.9 Discretionary relief is to be granted from the beginning of the financial year in which the decision is made or when liability begins whichever is the later. Since 1997 decisions can be made up to 6 months after the end of the financial year for which the application was made. In such cases, the Council *may* backdate its decision.

6.10 A decision to award discretionary relief and how much relief is given is normally only applicable to the financial year for which the application is made. However, the Council reserves the right to grant relief for any other period as appropriate.

6.11 A fresh application for discretionary relief will be necessary for each financial year **or** at such time-period as the Council determines.

Variation of a decision

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

6.13 A decision may be revoked at any time however; a one-year period of notice will be given and the change will take effect at the expiry of a financial year.

7.0 Scheme of Delegation

Granting, Varying, Reviewing and Revocation of Relief

7.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003 and the Localism Act 2011.However section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees or Officers.

7.2 The Council's scheme of delegation allows for the Customers Officer to award, revise or revoke any discretionary relief applications. However, any application which is considered to be of a significant nature will be subject to consultation with the relevant executive or committee prior to final determination.

7.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

Reviews

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

Appeals

7.5 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by the Customers Manager(s). Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.

7.6 Where the ratepayer wishes to appeal the decision of the Customer Manager (s) the case will be considered by the Section 151 officer or relevant Executive member whose decision on behalf of the Council will be final

7.7 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.

8.0 Reporting changes in circumstances

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

8.2 Where a change of circumstances is reported, the relief will, if appropriate, be revised or cancelled as appropriate. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

9.0 Fraud

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

Appendix A

Discretionary Relief – Mandatory Relief recipients

Discretionary Relief – Mandatory Relief recipients

General Explanation

A.1 S43 of the Local Government Finance Act 1988 allows mandatory relief (80%) to be granted on premises if the ratepayer is a charity or trustees for a charity and the premises are wholly or mainly used for charitable purposes. No charge is made in respect of unoccupied premises where it appears that *when next in use* it will be used wholly or mainly for those purposes.

A.2 The legislation has been amended by the Local Government Act 2003 (effective from 1st April 2004) to include registered[6] Community Amateur Sports Clubs (CASC). These organisations can now receive the mandatory (80%) relief.

Charity registration

A.3 Charities are defined within the legislation as being an institution[7] or other organisation established for charitable purposes only or by persons administering a trust established for charitable purposes only.

A.4 The question as to whether an organisation is a charity may be resolved in the majority of cases by reference to the register of charities maintained by the Charity Commissioners under s.4 of the Charities Act 1960. Entry in the register is conclusive evidence. By definition, under the Non-Domestic Rating legislation, there is no actual need for an organisation to be a registered charity to receive the relief and this has been supported by litigation[8], however in all cases the organisation must fall within the following categories:

- trusts for the relief of poverty;
- trusts for the advancement of religion;
- trusts for the advancement of education; and
- trusts for other purposes beneficial to the community, but not falling under any of the preceding heads.

A.5 Certain organisations are exempted from registration generally and are not required to make formal application to the Charity Commissioners these are:

- the Church Commissioners and any institution administered by them;
- any registered society within the meaning of the Friendly Societies Acts of 1896 to 1974;
- units of the Boy Scouts Association or the Girl Guides Association; and
- voluntary schools within the meaning of the Education Acts of 1944 to 1980.

A.6 The Council will consider charitable organisations, registered or not, for mandatory relief.

[6] Registered with HMRC as a CASC
[7] S67(10) Local Government Finance Act 1988
[8] Income Tax Special Commissioners v Pemsell (1891)

Use of Premises – wholly or mainly used

A.7 Irrespective of whether an organisation is registered as a charity or not, the premises **must** be wholly or mainly used for charitable purposes. This is essential if any relief (either mandatory or discretionary) is to be granted. In most cases this can be readily seen by inspection, but on occasions the Council has had to question the actual use to which the premises are to be put. In some cases, it will be necessary for the Council to inspect any premises fully.

A.8 Guidance from the Department of Communities and Local Government (DCLG) has stated that in the case of 'mainly', at least 51% must be used for charitable purposes whether of that charity or of that and other charities

A.9 The following part of this section gives details on typical uses where relief may be given plus additional criteria that have to be satisfied. The list is not exhaustive but gives clear guidance on premises for which mandatory relief can be granted *and therefore* premises which may be equally considered for discretionary rate relief.

Offices, administration and similar premises

A.10 Premises used for administration of the Charity include:

- Offices;
- Meeting Rooms; and
- Conference Rooms.

Charity shops

A.11 Charity shops are required to meet additional legislative criteria if they are to receive mandatory relief. Section 64 (10) of the Local Government Finance Act 1988 provides that a property is to be treated as being wholly or mainly used for charitable purposes at any time if, at the time, it is wholly or mainly used for the sale of goods donated to a charity and the proceeds of the sale of the goods (after any deduction of expenses) are applied for the purposes of the charity.

A.12 In order to ascertain whether an organisation meets these requirements, inspections may be made by an officer of the Council when an application is received

Granting of Mandatory Relief - the Council's Policy

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

Charity Relief - Mandatory Relief recipients, the Council's Policy for granting discretionary relief.

A.14 The Council will consider applications for a discretionary rate relief top up from charities based on their own merits, on a case-by-case basis.

A.15 In determining the application, the following matters will be taken in to consideration:

1. How the charity supports and links into the Council's corporate vision and priorities;
2. The purpose of the charity and the specific activity carried out within the premises for which the relief is requested; and
3. Whether the charity operates at a local or national level and where appropriate, the local and national funding streams and financial position of the charity. The Council is keen to ensure that the organisation provides significant benefit to local residents.

A16 The Council is keen to support businesses that have a critical role to play in the local economy and to assist the Council in meeting the Corporate aims and values.

A.17 In the case of registered Community Amateur Sports Clubs, the key criteria in determining the application will be:

1. The ratepayer occupies the whole hereditament;
2. Relief cannot be granted in respect of premises that are occupied by the Council or precepting authority;
3. How the CASC supports and links into the Council's corporate vision and priorities;
4. The membership and fee structure, and whether the CASC is accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
5. Membership numbers and the number and percentage of these members that are local residents;
6. If the CASC has due regard to equality issues and if it actively encourages members from under-represented groups, for example black and minority ethnic residents, people over 50 and people with disabilities;
7. Whether facilities are available to the wider community regardless of ability; and
8. If the CASC runs a bar or food provision: the level of income from this activity and how this money is used; and whether the CASC operates at a local or national level and where appropriate, the local and national funding streams and financial position of the CASC.

A.18 The Council wishes to support and enable appropriate businesses to start, develop and continue with their operations that deliver outcomes directly related to the Council's aims and vision. In the main, this will be done through other means rather than granting discretionary relief. There may be occasions where applications are made for such relief or where a package of measures, including discretionary relief, are appropriate in supporting businesses. This would need to be in accordance with any limitations in respect of state aid.

Appendix B

Discretionary Relief – Non-Profit Making Organisations including Recreation

Discretionary Relief – Non-Profit Making Organisations including Recreation

General explanation

Non-Profit

B.1 The legislation[9] allows the Council to grant discretionary relief where the property is not an *excepted* one and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts.

B.2 Relief cannot be granted to any premises occupied by the Council, or any town, parish council or major Precepting Authority *(excepted premises).*

B.3 A number of issues arise from the term 'not established or conducted for profit'. This requires the Council to make enquiries as to the overall purpose of the organisation although if surpluses and such amounts are directed towards the furtherance or achievement of the objects of the organisation then it does not necessarily mean that the organisation was established or conducted for profit.[10]

Recreation Clubs

B.4 Ideally all recreation clubs should be encouraged to apply for Community Amateur sports Club (CASC) status, which would automatically entitle them to 80% relief. The relief granted to CASCs is covered earlier within this policy.

B.5 Recreation clubs can also apply to the Charity Commissioners for registration as a Charity (thereby falling under the mandatory provisions for 80% relief) where they meet the following conditions:

a. The promotion of community participation in healthy recreation and by the provision of facilities for the playing of particular sports; and
b. The advancement of the physical education of young people not undergoing formal education.

B.6 Where sports clubs do not meet the CASC requirement, and are not registered charities, discretionary relief can be granted (0-100%) where the property is not an *excepted* one, it is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

[9] S47 Local Government Finance Act 1988

Definition of Recreation

B.7 Recreation is clearly defined by the Sports Council as any of the following[11]

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

Access to clubs

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

B.9 Membership should be open to all sections of the community. There may be legitimate restrictions placed on membership which relate for example to ability in sport or to the achievement of a standard in the

[11] Definition last reviewed by Sport England in 2002

field covered by the organisation or where the capacity of the facility is limited, but in general membership should not be exclusive or restrictive.

B.10 Membership rates should not be set at such a high level as to exclude the general community. However, membership fees may be payable at different rates that distinguish the different classes of membership such as juniors, adults, students, pensioners, players, non-players, employed and unemployed. In general, the club or organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of open access.

B.11 The Council also asks the following question to help establish the level of access 'Does the organisation actively encourage membership from particular groups in the community e.g. young people, women, older age groups, persons with disability, ethnic minorities' etc.?'

Provision of facilities

B.12 Clubs which provide training or education are encouraged, as are those who provide schemes for particular groups to develop their skills e.g. young people, the disabled, retired people.

B.13 A number of organisations run a bar. The mere existence of a bar will not in itself be a reason for not granting relief. However, the Council focuses on the main purpose of the organisation. The Council is encouraged to examine the balance between playing and non-playing members.

B.14 Within this area, the Council also considers whether the facilities provided relieve the Council of the need to do so, or enhance and supplement those that it does provide.

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

B.15 The Council will consider applications for discretionary rate relief from non-profit making organisations on their own merits on a case-by-case basis. In determining the application, the following matters will be taken in to consideration (The list is not exhaustive):

- How the organisation supports and links into the Council's corporate vision and priorities;
- Whether the facilities provided include education and/or training for members as a whole or for special groups;
- The extent to which the facilities provided reduce the demand for Council services or produce savings;
- Any membership and fee structure and whether the facilities are accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
- If covered by a membership scheme, membership numbers and the number and percentage of these members that are local residents; and
- If the organisation has due regard to equality issues and if its facilities are used by all members of the community, for example black and minority ethnic residents, people over 50 and people with disabilities.

B.16 The Council will also require additional financial information including:

- If the organisation runs a bar or food provision, the level of income from this activity and how this money is used.; and
- Whether the organisation operates at a local or national level and where appropriate, the local and national funding streams and financial position of the organisation.

Appendix C

Discretionary Relief - Rural Rate Relief – Mandatory Relief recipients

Discretionary Relief - Rural Rate Relief – Mandatory Relief recipients

What are the qualifying criteria for Mandatory Relief?

C.1 For a Post Office or General Store to be entitled to 50% Mandatory Relief, all the following criteria must be met:

- The Rateable Value of the property must not exceed £8,500 (from 1 April 2010);
- The property must be used as a Post Office or a General Store (see below for definition), or both;
- The property must be the only Post Office or the only General Store within the Rural Settlement.

C.2 For a Public House or Petrol Filling Station to be entitled to 50% Mandatory Relief, all the following criteria must be met:

- The Rateable Value of the property must not exceed £12,500 from 1 April 2010);
- The property must be used as a Public House (see below for definition) or a Petrol Filling Station (see below for definition); and
- The property must be the only Public House or the only Petrol Filling Station within the Rural Settlement.

C.3 For a village food shop to be entitled to 50% Mandatory Relief, all the following criteria must be met:

- The Rateable Value of the property must not exceed £8,500 from 1 April 2010); and
- The property must be used as a shop selling mainly food (see below for definition).

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

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

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

What is the definition of a General Store?

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

What is the definition of a Public House?

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

What is the definition of a Petrol Filling Station?

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

What is the definition of a Food Shop?

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

What are the qualifying criteria for Discretionary Relief?

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

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

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

Appendix D

Discretionary Relief – Premises within Rural Settlements

Discretionary Relief – Premises within Rural Settlements

D.1 In addition to having the ability to grant discretionary relief to those in receipt of mandatory relief, the Local Government and Rating Act 1997 allows discretionary relief of up to 100% to be granted where the rateable value is £16500 or less and:

a. Property is used for purposes which are of benefit to the local community; and
b. It would be reasonable for the billing authority to award relief, having regards to the Council's Council Taxpayers.

D.2 As with most discretionary relief, part of the cost, is met by Central Government and the balance from local sources.

D.3 The main criteria for granting discretionary relief in respect of rural rate relief is that premises are used to benefit the local community.

Benefit to the local community

D.4 Whilst each application for the relief will be considered on its own merits, there are certain factors which weigh heavily in the decision-making process. It is this Council's belief that the spirit of the legislation is to assist businesses and amenities, which contribute significantly to the quality of life of the people who have their main home in the Rural Settlement.

D.5 To be successful for consideration, a business must show that its existence is a significant benefit to the local community with the majority of local residents directly benefiting from services or facilities provided by that business

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

D.6 The Council will also consider applications for a discretionary rural rate relief from all ratepayers, not entitled to mandatory relief up to a maximum of 100%.

D.7 In determining the application the following matters will be taken in to consideration:

- The granting of any discretionary relief will be essential in ensuring the viability of any business within the rural settlement;
- The granting of any discretionary relief is proportionate given the level of any business rates charged compared with the overall turnover of the business;
- The granting of any discretionary relief will assist the business in continuing to be viable and / or prevent the business from failing;
- The business is considered by the Council to be essential to the community and that any reduction or withdrawal of the business will have a serious detrimental effect on the rural settlement;

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

Appendix E

Discretionary Relief – Localism Act 2011

Discretionary Relief - Localism Act 2011

General explanation

E.1 Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988. These provisions allow all Councils to grant discretionary relief in **any** circumstances where it feels fit having regards to the effect on the Council Tax payers of its area.

E.2 The provisions are designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to Council Tax payers.

Discretionary Relief - Localism - the Council's Policy

E.3 Applications will be considered from any ratepayer who wishes to apply. However, where a ratepayer is suffering hardship or severe difficulties in paying their rates liability then relief can be granted under the existing provisions as laid down by Section 49 of the Local Government Finance Act 1988. There will be no requirement to grant relief in such cases under the Council's discretionary relief policy.

E.4 Any ratepayer applying for discretionary rate relief under these provisions and who does not meet the criteria for existing relief (charities, non-profit making organisations etc.) must meet **all** of the following criteria and the amount of relief granted will be dependant on the following key factors:

a. The ratepayer **must not** be entitled to mandatory rate relief (Charity or Rural Rate Relief);
b. The ratepayer **must not** be entitled to Central Government funded reliefs;
c. The ratepayer **must not** be an organisation that could receive relief as a non-profit making organisation or as a sports club or similar;
d. The ratepayer **must** occupy the premises (no discretionary rate relief will be granted for unoccupied premises);
e. The premises and organisation **must** be of *significant* benefit to residents of the Council's area;
f. The premises and organisation **must** relieve the Council of providing similar facilities;
g. The ratepayer **must**;
    a. Provide facilities to certain priority groups such as elderly, disabled, minority groups, disadvantaged groups; **or**
    b. Provide *significant* employment or employment opportunities to residents of the Council; **or**
    c. Provide the residents of the area with such services, opportunities or facilities that cannot be obtained locally or are not provided locally by another organisation;
h. The ratepayer **must** demonstrate that assistance (provided by the discretionary rate relief) will be for a *short time only* **and** that any business / operation is financially viable in the medium and long term;
i. whether the premises occupied are considered to be reasonable having regard to the size and location of the premises, the size and nature of the organisation ,and the use being made of the premises by the organisation; **and**

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

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

E.6 A formal application from the ratepayer will be required in each case and any relief will be granted in line with State Aid requirements as specified within section 6 of this policy.

Appendix F

Local Newspaper Relief

General Explanation

F.1 This is a temporary relief for 2017-18, 2018-19 and 2019-20 and the Government is not changing the legislation around the reliefs available to these properties. Central Government will reimburse local authorities that use their discretionary relief powers (under section 47(3)) of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in this guidance.

F.2 The Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.

Eligibility criteria

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

Local Newspapers

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

Office Space

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

Amount of Relief

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

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

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

Appendix G

Supporting Small Businesses Relief

General Explanation

G.1 Central Government has increased the thresholds for Small Business Rate Relief from 1 April 2017 to £12,000 for the 100% relief and £15,000 for the tapered relief. They have also allowed rural rate relief to be granted up to 100% using S47 of the Local Government Finance Act 1988 as a top up to the mandatory level of 50%, albeit that the rateable value limits have not been changes in respect of rural hereditaments (see section D of this policy). Unfortunately, despite these changes, some small businesses and businesses in rural areas may lose their entitlement to the relief due to increases in Rateable Value through the revaluation on 1st April 2017.

G.2 The transitional relief scheme (provided under the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265) does not provide support in respect of changes in reliefs. Therefore, those ratepayers who have lost some or all of their small business or rural rate relief may face large percentage increases in bills from 1 April 2017.

G.3 In view of this, Central Government announced that a new scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief due to the revaluation. All authorities are encouraged to grant the relief in accordance with the guidelines laid down by Central Government and if granted strictly in accordance with guidance, the Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.

G.4 The relief is known as the 'Supporting Small Businesses Scheme'

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

G.5 The Supporting Small Businesses relief will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their small business or rural rate relief and, as a result, are facing large increases in their bills.

G.6 To support these ratepayers, the Supporting Small Businesses relief will ensure that the increase per year in the bills of these ratepayers is limited **to the greater of:**

a. a percentage increase per annum. of 5%, 7.5%, 10%, 15% and 15% 2017/18 to 2021/22 all plus inflation. (Unlike the transitional relief scheme under the Chargeable Amount regulations), for the first year of the scheme the percentage increase is taken against the bill for 31 March 2017 after small business rate relief or rural rate relief; **or**

b. a cash value of £600 per year (£50 per month).

G.7 This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought into paying something.

G.8 In the first year of the scheme, this means all ratepayers losing some or all of their small business

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

G.9 The Government has also decided that those on the Supporting Small Businesses relief scheme whose 2017 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for the Supporting Small Businesses relief scheme.

G.10 Ratepayers will remain in the Supporting Small Businesses relief scheme for either 5 years or until they reach the bill they would have paid without the scheme (this would be the charge payable as their true rates payable or the charge calculated under the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016).

G.11 A change of ratepayer will not affect eligibility for the Supporting Small Businesses relief scheme, **but** eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

G.12 The rules for state aid (as detailed in section 6 of this policy) shall apply when considering Supporting Small Businesses Relief.

Recalculation of relief

G.13 The amount of relief awarded under the Supporting Small Businesses relief scheme will be recalculated in the event of a change of circumstances including the following:

- This could include, for example, a backdated change to the rateable value or the hereditament; or
- The awarding of another relief.

G.14 The Council will, in effect, calculate the award on a daily basis taking into account the above, and the relief will be re-calculated if the rateable value changes.

Other Reliefs

G.15 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for Supporting Small Businesses Relief. Likewise, the same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate will not further reduce the bill found under the Supporting Small Business scheme.

G.16 In accordance with Central Government guidelines, all other discretionary reliefs, will be considered **after** the application of Supporting Small Businesses relief.

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

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

Appendix H

Public House Relief

General Explanation

H.1 This is a temporary relief for 2017-18 and 2018 – 19 and the Government is not changing the legislation around the reliefs available to premises. Central Government will reimburse local authorities that use their discretionary relief powers (under section 47(3)) of the Local Government Finance Act 1988) to grant £1000 relief in line with the eligibility criteria set out in guidance to be produced by Central Government

H.2 Central Government guidelines have been issued and it has been established that any amount granted will be reimbursed by a section 31 grant.

Eligibility criteria

H.3 The Council's policy, in line with Central Government requirements, will provide a relief of £1,000 relief for one year only (1st April 2017 to 31st March 2019) for all eligible public houses who have a rateable value of less than £100,000 on 1st April 2017.

H.4 The definition of a 'Public House' means any premises as defined in the Licensing Act 2003, which has a premises license authorising sale by retail of alcohol for consumption on the premises. In addition, the premises **must** be used principally for retail sales of alcohol to members of the public for consumption on the premises, and sales must not be subject to the condition that buyers reside at or consume food on the premises.

H.5 It will be for the Council to decide whether any premises falls within the definition give in the above paragraph. No relief shall be given where the premises are unoccupied.

Other Reliefs

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

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

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

Appendix I

Additional Discretionary Business Rate Relief Scheme

General Explanation

I.1 In March 2017, Central Government announced that it would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation. Government determined that Councils would be best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need.

I.2 Every authority within England is to be provided with a share of a £300 million fund to support their local businesses. This is to be administered through billing authorities' discretionary relief powers under section 47 of the Local Government Act 1988.

I.3 Government also believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct the funding where it is most needed to support local economies.

I.4 The funding is not provided equally over the four-year period but in the following approximate proportions:

Year 1 (2017/18) 58%

Year 2 (2018/19) 28%

Year 3 (2019/20) 12%

Year 4 (2020/21) 2%

I.5 Councils will be compensated for any relief granted under section 31 of the Local Government Act 2003. The Government has decided that any underspend **cannot** be 'vired' from one year to the next.

I.6 A key criteria of reimbursement will be that all Billing Authorities will consult with major precepting authorities when formulating their schemes.

1.7 The financial effects to the Council of the Discretionary Business Rates Relief Scheme are shown in the following table

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

Consultation

I.8 The Council has consulted with the major preceptors in relation to this scheme and has taken their comments into account when determining the eligibility criteria. This is an essential part of the Discretionary Business Rates Relief Scheme and is in line with the grant determination issued by the Department of Communities and Local Government (DCLG) No.31/3071.

I.9 The grant determination states that a condition of the fund is that consultation is undertaken with 'relevant authorities'. Relevant authorities for the purposes of this scheme means:

a. Any major precepting authority; and
b. Any combined authority.

I.10 In the case of the District Council the major precepting authorities have been consulted namely:

a. Essex County Council
b. The Police and Crime Commissioner for Essex; and
c. Essex Fire and Rescue Service.

State Aid

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

Decisions by the Council

I.12 Decisions by the Council are made directly in line with the Scheme of Delegation as outlined within section 7 of this policy. Any decision to award relief under this scheme will follow the core principles of the Council's discretionary relief policy as defined by section 3.8.

I.13 It should be noted that whilst the funding from Central Government for Discretionary Business Rate Relief Scheme is limited, the decision of the Council whether to award any relief under this scheme **will not take account** of the level of any funding.

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

Applications for relief under this scheme

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

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

I.15 The Council has decided that relief under the scheme will be awarded using the following criteria:

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

I.16 Any business can apply, if they meet the criteria in the policy however priority for the allocation of the funding will be given to support small to medium retail businesses.

Amount of Relief

I.17 The amount of relief is tapered and will be calculated as follows:

2017/18

The award will be up to £1000 where the ratepayer meets the criteria in I.15

Future years

To be determined by the authority

Applications for relief under this scheme

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

Variation and amendment of relief under the scheme

I.19 As with all reliefs, the amount of relief awarded under the Discretionary Businesses Rates relief scheme will be recalculated in the event of a change of circumstances. This will include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

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

Appendix J

Retail Discount

General Explanation

J.1 The Government announced on 29 October 2018 that it will provide a business rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21.

J.2 The value of discount should be one third of the bill and must be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied.

J.3 Where an authority applies a locally funded relief, under section 47 this is must be applied after the Retail Discount.

J.4 As this is a measure for 2019-20 and 2020-21 only, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will, in line with the eligibility criteria defined by them, reimburse any authorities that use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief.

J.5 It is for the Council to adopt a local scheme and determine in each individual case when to grant relief under section 47.

Who is eligible for the relief?

J.6 Properties that will benefit from the relief will be occupied hereditaments with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments. The Government consider shops, restaurants, cafes and drinking establishments to mean:

i. **Hereditaments that are being used for the sale of goods to visiting members of the public:**
   - Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
   - Charity shops
   - Opticians
   - Post offices
   - Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
   - Car/ caravan show rooms
   - Second hand car lots
   - Markets
   - Petrol stations
   - Garden centres
   - Art galleries (where art is for sale/hire)

ii. **Hereditaments that are being used for the provision of the following services to**

visiting members of the public:

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

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

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

J.7 To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

Hereditaments that are not likely to receive relief under the scheme

J.8 The list below sets out the types of uses that the Government does **not** consider to be retail use for the purpose of this relief. Again, it is for local authorities to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under their local scheme.

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

- Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting offices

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

- Generally speaking, Government also does not consider other assembly or leisure uses beyond those listed to be retail uses for the purpose of the discount. For example, cinemas, theatres and museums are outside the scope of the scheme, as are nightclubs and music venues. Hereditaments used for sport or physical recreation (e.g. gyms) are also outside the scope of the discount. Where there is doubt, the Council will exercise discretion.

How much relief will be available?

J.9 The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for particular hereditament in the financial year 2019-20:

J.10 Amount of relief to be granted = V / 3 where V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs.

Retail Discount - the Council's policy for granting discretionary relief.

J.11 The Council has decided to grant relief strictly in accordance with Central Government guidelines

Appendix K

Section 49 – Hardship Relief

Section 49 – Hardship Relief

General explanation

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

Section 49 Hardship Relief – the Council's Policy

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

- General Discretionary application form
- Hardship Discretionary additional questions

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

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

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APPENDIX 2

MALDON DISTRICT COUNCIL

MALDON DISTRICT COUNCIL

Financial Regulations and Financial Procedures

Updated February 2019

APPENDIX 2

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 presigned 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

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1. Status of Financial Regulations

1.1. Financial regulations provide the framework for managing the Council's financial affairs. They apply to every member and officer of the Council and anyone acting on its behalf.

1.2. The regulations identify the financial responsibilities of the Council, the Committees, the Directors, and the 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 Resources is responsible for maintaining a continuous review of the financial regulations and submitting any additions or changes necessary to the Council for approval. The Director of Resources is also responsible for reporting, where appropriate, breaches of the financial regulations to the Finance & Corporate Services Committee. Any non-compliance with the Regulations must be reported to the Director of Resources. Anyone wishing to act outside the provisions of these regulations, in a specific instance, must seek the prior written approval of the Director of Resources.

1.5. The Council's detailed financial procedures, setting out how the regulations will be implemented, are contained in the appendices to the financial regulations.

1.6. The Director of Resources is responsible for ensuring that all staff are aware of the existence and content of the Council's financial regulations and other internal regulatory documents and that they comply with them.

1.7. The Director of Resources is responsible for issuing advice and guidance to underpin the financial regulations that Members, Officers and others acting on behalf of the Council are required to follow. Notes and guidance may expand upon, but not contradict the Regulations. Any consultation required under these Regulations must allow sufficient time for a proper consideration of any issues.

1.8. All financial and accounting procedures must be carried out in accordance with the Regulations.

2. FINANCIAL REGULATIONS

a) Financial Management

1. INTRODUCTION

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

2. THE COUNCIL

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

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

3. THE COMMITTEES

3.1 The Finance & Corporate Services Committee is responsible for proposing the annual budget to the Council, and for discharging its own functions in accordance with that budget and framework.

3.2 Once approved, the Finance & Corporate Services committee is responsible for the administration of the budget for the services set out in its Terms of Reference.

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

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

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

3.6 The Standards Committee is established by the Council and is responsible for promoting and maintaining high standards of conduct amongst councillors. In particular, it is responsible for advising the Council on the adoption and revision of the Members' code of conduct, and for monitoring the operation of the code.

4. THE STATUTORY OFFICERS

4.1 Head of Paid Service

4.1.1 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 Strategy, Performance and Governance is responsible for keeping the Council's corporate governance arrangements up to date.

4.2 Monitoring Officer

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

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

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

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

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

a) initiating a new policy;

b) committing expenditure in future years to above the current budget level;

c) incurring expenditure where no estimate or an inadequate estimate exists thereby giving rise to the necessity for supplementary estimates or virements above approved limits;

d) causing the total expenditure financed from council tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.

4.3 Section 151 Officer (Chief Finance Officer)

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

a) Section 151 of the Local Government Act 1972;
b) The Local Government Finance Act 1988;

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

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

a) the proper administration of the Council's financial affairs;

b) setting and monitoring compliance with financial management standards;

c) advising on the corporate financial position and on the key financial controls necessary to secure sound financial management;

d) providing financial information;

e) preparing the revenue budget and capital programme;

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

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

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

Section 114 of the 1988 Act also requires:

d) the Chief Finance Officer to nominate a properly qualified member of staff to deputise should he/she be unable to perform the duties under section 114 personally;

e) the Council to provide the Chief Finance Officer with sufficient staff, accommodation and other resources, including legal advice where this is necessary, to carry out the duties under section 114.

5. DIRECTORS

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

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

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

6. OTHER FINANCIAL ACCOUNTABILITIES

6.1 Virement

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

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

6.2 Treatment of year-end balances

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

6.3 Accounting policies

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

6.4 Accounting records and returns

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

6.5 The Annual Statement of Accounts

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

b) Financial Planning

1. INTRODUCTION

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

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

2. POLICY FRAMEWORK

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

2.2 The Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework and for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework. The Monitoring Officer or the S151 Officer , as appropriate, should refer decisions to the Council.

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

2.4 Preparation of the Corporate Plan

2.4.1 The Director of Strategy, Performance and Governance is responsible for proposing the Corporate Plan to the Council for approval.

3. BUDGETING

3.1 Budget format

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

3.2 Budget preparation

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

3.3 Budget monitoring and control

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

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

3.4 Resource allocation

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

3.5 Preparation of the Capital Strategy

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

3.6 Guidelines

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

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

4. MAINTENANCE OF RESERVES

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

c) Risk Management and Control of Resources

1. INTRODUCTION

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

2. RISK MANAGEMENT

2.1 The Audit Committee is responsible for approving the Council's Risk Management Policy and for reviewing the effectiveness of risk management. The Finance & Corporate Services Committee is responsible for ensuring that proper insurance exists where appropriate.

2.2 The Director of Resources is responsible for preparing the Council's Risk Management Policy and for promoting it throughout the Council and is responsible for advising the Committees on proper insurance cover where appropriate.

3. INTERNAL CONTROL

3.1 Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.

3.2 The Director of Resources is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, effectively and in accordance with the statutory and other authorities that govern their use.

3.3 It is the responsibility of Directors to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

4. AUDIT REQUIREMENTS

4.1 The Accounts and Audit Regulations require every local Council to maintain an adequate and effective internal audit.

4.2 The Secretary of State for Communities and Local Government, via the Local Government Asssociation has delegated the appointment of external auditors to each local authority to a body called Public Sector Audit Appointments Ltd (PSAA). The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by the Local Audit and Accountability Act 2014.

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

5. PREVENTING FRAUD AND CORRUPTION

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

6. ASSETS

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

7. TREASURY MANAGEMENT

7.1 The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.

7.2 The Finance & Corporate Services Committee is responsible for approving the treasury management policy and Treasury Management Practices (TMP's) setting out the matters detailed in CIPFA's Code of Practice for Treasury Management in Local Authorities. The Director of Resources has delegated responsibility for implementing and monitoring the TMP's.

7.3 All money in the hands of the Council is controlled by the officer designated for the purposes of section 151 of the Local Government Act 1972, referred to in the Code as the Director of Resources.

7.4 Subject to the Council setting the overall borrowing limits in accordance with the Prudential Code, the day to day decisions on borrowing, investment or financing shall be delegated to the Director of Resources, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.

8. STAFFING

8.1 The Head of Paid Service is responsible for providing overall management to staff. He/she is also responsible for ensuring that there is proper use of evaluation or other agreed systems for determining the remuneration of a job.

8.2 Directors, in consultation with the Director of Resources, are responsible for controlling total staff numbers by:

a) advising the Council on the budget necessary in any given year to cover estimated staffing levels;
b) adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs;
c) the proper use of appointment procedures.

d) Systems and Procedures

1. INTRODUCTION

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

2. GENERAL

2.1 The Director of Resources is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. The Director of Resources must determine any changes proposed by Directors to the existing financial systems or the establishment of new systems. However, Directors are responsible for the proper operation of financial processes in their own services.

2.2 Any changes to agreed procedures by Directors to meet their own specific service needs should be agreed with the Director of Resources.

2.3 The Director of Resources should ensure that all staff receive relevant financial training.

2.4 Directors must ensure that, where appropriate, computer and other systems are registered in accordance with Data Protection legislation. Directors must ensure that staff are aware of their responsibilities under freedom of information legislation.

3. INCOME AND EXPENDITURE

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

4. PAYMENTS TO EMPLOYEES AND MEMBERS

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

5. TAXATION

5.1 The Director of Resources is responsible for advising Directors, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.

5.2 The Director of Resources is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

6. TRADING ACCOUNTS

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

e) External Arrangements

1. INTRODUCTION

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

2. PARTNERSHIPS

2.1 The Programme committees are responsible for approving delegations, including frameworks for partnerships. The Programme committees are the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.

2.2 The Programme committees can delegate functions, including those relating to partnerships, to officers. These are set out in the scheme of delegation that forms part of the Council's corporate governance arrangements. Where functions are delegated, the Programme committees remain accountable for them to the Council.

2.3 The Director of Resources is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council.

2.4 The Director of Resources, in consultation with the Council's designated legal advisor, must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are robust and comply with best practices. He/she must also consider the overall corporate governance arrangements and in consultation with the designated legal advisor, legal issues when arranging contracts with external bodies. He/she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

2.5 Programme committees are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

3. EXTERNAL FUNDING

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

A. FINANCIAL MANAGEMENT PROCEDURES

A.1. FINANCIAL MANAGEMENT STANDARDS

1.1 Why is this important?

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

A.1.2 Key controls

1.2.1 The key controls and control objectives for financial management standards are

(a) their promotion throughout the Council;

(b) a monitoring system to review compliance with financial standards, and regular comparisons of performance indicators and benchmark standards that are reported to the Finance & Corporate Services and/or Overview & Scrutiny Committees.

A.1.3 Responsibilities of the Director of Resources

1.3.1 To ensure the proper administration of the financial affairs of the Council.

1.3.2 To set the financial management standards and to monitor compliance with them.

1.3.3 To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Council.

1.3.4 To advise on the key strategic controls necessary to secure sound financial management.

1.3.5 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

A.1.4 Responsibilities of Directors

1.4.1 To promote the financial management standards set by the Director of Resources in their service and to monitor adherence to the standards and practices.

1.4.2 To promote sound financial practices in relation to the standards, performance and development of staff in their departments.

A.2. MANAGING EXPENDITURE

2.1 Scheme of Virement

2.1.1 Why is this important?

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

A.2.2 Key controls

2.2.1 Key controls for the scheme of virement are:

(a) it is administered by the Director of Resources within guidelines set by the Council. Any variation from this scheme requires the approval of the Council;

(b) the overall budget is proposed by the Finance & Corporate Services Committee and approved by the Council. Directors and budget holders are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement (i.e. switching resources between approved budget headings of expenditure or income). For the purposes of this scheme, a budget heading is considered to be a line in the Budget Summary of the Budget Book;

(c) virement does not create additional overall budget liability. Directors are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Directors must plan to fund such commitments from within their own budgets.

A.2.3 Responsibilities of the Director of Resources

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

A.2.4 Responsibilities of Directors

2.4.1 A Director, in consultation with the Director of Resources may exercise virement within the same directorate under his/her control for any amount. Virements between different directorates must be reported to the Finance & Corporate Services Committee. The authorisation limits are set out in **Appendix F**.

2.4.2 Amounts that require the approval of the Finance & Corporate Services Committee must specify the proposed expenditure and the source of funding, and must explain the implications in the current and future financial years.

2.4.3 Virement that is likely to impact on the level of service activity of another Director should be implemented only after agreement with the relevant Director.

2.4.4 No virement relating to a specific financial year should be made after 31 March in that year.

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

a) the amount is used in accordance with the purposes for which it has been established;

b) the Finance & Corporate Services Committee has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Finance & Corporate Services Committee.

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

A.3. ACCOUNTING POLICIES

A.3.1 Why is this important?

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

A.3.2 Key controls

3.2.1 The key controls for accounting policies are:

a) systems of internal control are in place which ensure that financial transactions are lawful;

b) suitable accounting policies are selected and applied consistently;

c) proper accounting records are maintained;

d) financial statements are prepared which present fairly the financial position of the Council and its expenditure and income.

A.3.3 Responsibilities of the Director of Resources

3.3.1 To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are set out in the Statement of Accounts, which is prepared at 31 March each year, and covers such items as:

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

A.3.4 Responsibilities of Directors

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

A.4. ACCOUNTING RECORDS AND RETURNS

A.4.1 Why is this important?

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

A.4.2 Key controls

4.2.1 The key controls for accounting records and returns are:

a) all Committees, finance staff and budget managers operate within the required accounting standards and timetables;

b) all the Council's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis;

c) procedures are in place to enable accounting records to be reconstituted in the event of systems failure;

d) reconciliation procedures are carried out to ensure transactions are correctly recorded;

e) prime documents are retained in accordance with legislative and other requirements.

A.4.3 Responsibilities of the Director of Resources

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

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

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

a) separating the duties of providing information about sums due to or from the Council and calculating, checking and recording these sums from the duty of collecting or disbursing them;

b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

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

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

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

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

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

A.4.4 Responsibilities of Directors

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

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

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

A.5. THE ANNUAL STATEMENT OF ACCOUNTS

A.5.1 Why is this important?

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

A.5.2 Key controls

5.2.1 The key controls for the annual Statement of Accounts are:

a) the Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this Council, that officer is the Director of Resources (Section 151 Officer);

b) the Council's Statement of Accounts must be prepared in accordance with proper practices as set out in the latest CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

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

5.3.1 To sign and date the Statement of Accounts, stating that it presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March.

5.3.2 To select suitable accounting policies and to apply them consistently.

5.3.3 To make judgements and estimates that are reasonable and prudent.

5.3.4 To comply with the latest accounting Code of Practice.

5.3.5 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

A.5.4 Responsibilities of Directors

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

B. FINANCIAL PLANNING

B.1. PERFORMANCE PLANS

B.1.1 Why is this important?

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

B.1.2 Key controls

1.2.1 The key controls for performance plans are:

(a) to meet the timetables set;

(b) to ensure that all performance information is accurate, complete and up to date;

(c) to provide improvement targets which are meaningful, realistic and challenging.

B.1.3 Responsibilities of 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 Directors

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

B.2.4 Revenue budget preparation, monitoring and control

2.4.1 Why is this important?

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

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

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

B.**2.5 Key controls**

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

a) budget managers should be responsible only for income and expenditure that they can influence;

b) there is only one nominated budget manager for each budget area;

c) budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities;

d) budget managers follow an approved certification process for all expenditure;

e) income and expenditure are properly recorded and accounted for;

f) performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget;

g) Managers should supervise the financial management of those reporting to them.

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

2.6.1 To establish an appropriate framework of budgetary management and control that ensures that:

a) budget management is exercised within annual financial limits unless the Council agrees otherwise;

b) each Manager has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities;

c) all officers responsible for committing expenditure comply with relevant guidance, and the financial regulations;

d) each directly controllable cost centre has a single named manager, determined by the relevant Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making process that commits expenditure;

e) significant variances from approved budgets are investigated and reported by budget managers regularly.

2.6.2 To administer the Council's scheme of virement.

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

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

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

B.**2.7 Responsibilities of Directors**

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

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

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

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

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

a) create financial commitments in the current or future years;

b) change existing policies, initiate new policies or cease existing policies;

c) materially extend or reduce the Council's services.

2.7.6 To ensure compliance with the scheme of virement.

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

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

2.8.1 Why is this important?

2.8.1.1 The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Council's plans and policies.

2.8.1.2 A report on new proposals should explain the full financial implications, following consultation with the Director of Resources. Unless the Council or Finance & Corporate Services Committee has agreed otherwise, Directors must plan to contain the financial implications of such proposals within the relevant financial limit.

2.8.1.3 The revenue budget must be constructed so as to ensure that resource allocation properly reflects the business plans and priorities of the Council. Budgets (spending plans) are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for a Council to budget for a deficit.

2.8.1.4 The annual strategic and financial planning process involves a cycle in which Directors develop their own plans for submission to the relevant Committee. As each year passes, another future year will be added to the MTFS. This ensures that the Council is always preparing for events in advance.

B.**2.9** **Key controls**

2.9.1 The key controls for budgets and the MTFS are:

a) specific budget approval for all expenditure;

b) budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Council for their budgets and the level of service to be delivered;

c) a monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.

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

2.10.1 To prepare and submit reports on budget prospects to the Finance & Corporate Services Committee including resource constraints set by the Government. Reports should take account of medium-term prospects, where appropriate.

2.10.2 To determine the detailed form of revenue estimates and the methods for their preparation.

2.10.3 To advise on the medium-term implications of spending decisions.

2.10.4 To encourage the best use of resources and value for money by working with Directors to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.

2.10.5 To advise the Council on proposals in accordance with his/her responsibilities under section 151 of the Local Government Act 1972.

B.**2.11** **Responsibilities of Directors**

2.11.1 To prepare estimates of income and expenditure, in consultation with the Director of Resources.

2.11.2 To prepare budgets that are consistent with any relevant financial limits, with the Council's annual budget cycle and with guidelines issued by the Director of Resources.

2.11.3 To integrate financial and budget plans into business planning, so that budget plans can be supported by financial and non-financial performance measures.

2.11.4 In consultation with the Director of Resources and in accordance with the laid-down guidance and timetable, to prepare detailed draft revenue and capital budgets for consideration by the Finance & Corporate Services Committee.

2.11.5 When drawing up draft budget requirements, to have regard to:

a) spending patterns and pressures revealed through the budget monitoring process;

b) legal requirements;

c) requirements as defined by the Council in the Strategic and Financial Policy Process;

d) initiatives already under way and any new service requirements that are likely to require funding within the financial year in question.

B.2.12 Resource allocation

2.12.1 Why is this important?

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

B.**2.13 Key controls**

2.13.1 The key controls for resource allocation are:

a) resources are acquired in accordance with the law and allocated using an approved authorisation process;

b) resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for;

c) resources are securely held for use when required;

d) resources are used in the most efficient manner.

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

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

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

B.**2.15 Responsibilities of Directors**

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

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

B.2.16 Capital programmes

2.16.1 Why is this important?

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

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

B.**2.17 Key controls**

2.17.1 The key controls for capital programmes are:

a) the development and implementation of asset management plans;

b) specific approval by the Council for the programme of capital expenditure;

c) a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the Finance & Corporate Services Committee;

d) proposals for improvements and alterations to buildings must be approved by the relevant Director;

e) accountability for each capital project is accepted by a named manager;

f) monitoring of progress in conjunction with expenditure and comparison with approved budget;

g) capital spending plans are to be in line with the approved Capital Strategy.

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

2.18.1 To prepare the capital programme and estimates jointly with Directors and to report them to the Finance & Corporate Services Committee for approval. The Finance & Corporate Services Committee will make recommendations on the capital programme and on any associated financing requirements to the Council.

2.18.2 To prepare and submit reports jointly with the officers defined as accountable for capital projects to the Finance & Corporate Services Committee on the progress of the capital programme compared with the approved estimates.

2.18.3 Having regard to regulations determine the definition of 'capital'.

B.**2.19 Responsibilities of Directors**

2.19.1 To comply with guidance concerning capital schemes and controls issued by the Director of Resources.

2.19.2 To prepare and submit quarerly reports jointly with the Director of Resources to the Finance & Corporate Services 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 Finance & Corporate Services Committee and/or the Council for individual schemes where the estimated expenditure exceeds the capital programme provision by more than a specified amount (see **Appendix F**).

2.19.4 To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Director of Resources.

2.19.5 To ensure that adequate records are maintained for all capital contracts.

2.19.6 To proceed with projects only when there is adequate provision in the capital programme.

2.19.7 To prepare and submit reports, jointly with the Director of Resources, to the Programme committees, of any increase in contract costs in excess of the approved scheme and estimate, unless the excess can be met by virement from elsewhere within the capital programme. The authorisation limits for capital virements are set out in **Appendix F**.

2.19.8 To prepare and submit reports, jointly with the Director of Resources, to the Programme committees, where it appears that the final cost of a revenue or capital contract will exceed the approved contract sum by more than a specified financial limit (see **Appendix F**).

2.19.9 No leasing arrangements as defined by the Director of Resources shall be entered into without prior approval.

B.3. MAINTENANCE OF RESERVES

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

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

B.**3.2** Key controls

3.2.1 To maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and agreed accounting policies.

3.2.2 For each reserve established, the purpose, usage and basis of transactions should be clearly identified and approved by the Finance & Corporate Services Committee.

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

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

B.**3.4** Responsibilities of Directors

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

C. RISK MANAGEMENT AND CONTROL OF RESOURCES

C.1. RISK MANAGEMENT

C.1.1 Why is this important?

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

1.1.2 It is the overall responsibility of the Council to approve the Council's risk management strategy, and to promote a culture of risk management awareness throughout the Council.

C.1.2 Key controls

1.2.1 The key controls for risk management are:

a) procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the Council;

b) a monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls;

c) managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives;

d) provision is made for losses that might result from the risks that remain;

e) procedures are in place to investigate claims within required timescales

f) acceptable levels of risk are determined and insured against where appropriate;

g) the Council has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

C.1.3 Responsibilities of the Director of Strategy, Performance and Governance

1.3.1 To prepare and promote the Council's Risk Management Policy.

1.3.2 To develop risk management controls in conjunction with Directors.

C.1.4 Responsibilities of the Director of Resources

1.4.1 To include all appropriate employees of the Council in a suitable fidelity guarantee insurance.

1.4.2 To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.

C.1.5 Responsibilities of Directors

1.5.1 To notify the Director of Resources immediately of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the Council's insurers.

1.5.2 To take responsibility for risk management, having regard to advice from the Director of Resources and other specialist officers (e.g. fire prevention, health and safety).

1.5.3 To ensure that there are regular reviews of risk within their Service.

1.5.4 To notify the Director of Resources promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.

1.5.5 To consult the Director of Resources and the Council's legal advisors on the terms of any indemnity that the authority is requested to give.

1.5.6 To ensure those employees, or anyone covered by the Council's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

C.2. INTERNAL CONTROLS

C.2.1 Why is this important?

2.1.1 The Council is complex and beyond the direct control of a single individual. It therefore requires internal controls to manage and monitor progress towards strategic objectives.

2.1.2 The Council has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.

2.1.3 The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.

2.1.4 The system of internal controls is established in order to provide measurable achievement of:

a) efficient and effective operations;

b) reliable financial information and reporting;

c) compliance with laws and regulations;

d) risk management.

C.2.2 Key controls

2.2.1 The key controls and control objectives for internal control systems are:

a) key controls should be reviewed on a regular basis;

b) managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities;

c) financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems;

d) an effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guideline Guidance for Internal Auditors, CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom and with any other statutory obligations and regulations.

C.2.3 Responsibilities of the Director of Resources

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

C.2.4 Responsibilities of Directors

2.4.1 To manage processes to check that established controls are understood and being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.

2.4.2 To review existing controls in the light of changes affecting the Council and to establish and implement new ones in line with guidance from the Director of Resources. Directors should also be responsible, after consultation with the Director of Resources, for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.

C.3. AUDIT REQUIREMENTS

C.3.1 Internal audit

3.1.1 Why is this important?

3.1.1.1 The Accounts and Audit Regulations 2015 (para 5) require that a "relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

3.1.1.2 Internal Audit must be seen as independent. This is achieved through operating within a framework that allows unrestricted access to senior management, reporting in its own name and segregation as far as practical from line operations. The function reports directly to the Director of Resources (also the officer designated under Section 151 of the Local Government Act5 1972 as responsible for ensuring the proper administration of the Authority's financial affairs). Internal Audit also reports directly to the Audit Committee.

C.3.2 Key controls

3.2.1 The key controls for internal audit are:

a) that it is independent in its planning and operation;

b) the Audit Manager has direct access to the Director of Resources, all levels of management and directly to elected Members;

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

C.3.3 Responsibilities of the Director of Resources

3.3.1 To ensure that internal auditors have the authority to:

a) access Council premises at reasonable times;

b) access all assets, records, documents, correspondence and control systems ;

c) receive any information and explanation considered necessary concerning any matter under consideration;

d) require any employee of the Council to account for cash, materials or any other asset under his/her control;

e) access records belonging to third parties, such as contractors, when required;

f) obtain direct access to the Finance & Corporate Services Committee and the Audit Committee.

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

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

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

C.3.4 Responsibilities of Directors

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

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

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

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

3.4.5 To ensure that their staff report any suspicion of fraud, corruption or other financial irregularity in respect of Council funds, either directly, or via the Directors to the Director of Resources for investigation.

3.4.6 The Director of Resources must then arrange for appropriate investigation of the matter. The relevant Director must agree any further investigative action with the Director of Resources before proceeding.

3.4.7 The Director of Resources, in consultation with the relevant Director and the Monitoring Officer will advise whether any matter should be referred to the police for further investigation.

3.4.8 To ensure that the Director of Resources is given an opportunity, in a timely manner before live operation, to evaluate the adequacy of new systems for maintaining financial records, or records of assets, or changes to such systems.

C.3.5 External audit

3.5.1 Why is this important?

3.5.1.1 Under Schedule 1 of the Local Audit and Accountability Act 2014 all contracts for audit and related services, previously let by the Audit Commission, were transferred to Public Sector Audit Appointments Ltd on 1 April 2015. The external auditor has rights of access to all documents and information necessary for audit purposes (para 22 2014 Act).

3.5.1.2 The general duties of the external auditor are defined in the Local Audit and Accountability Act 2014 (para 20) and the Local Government Act 1999. In particular, Schedule 6 of the 2014 Act sets out that the Comptroller & Auditor General is responsible for preparing a code of audit practice, which external auditors follow when carrying out their duties. Schedule 1 of the code of audit practice sets out the auditor's statutory responsibilities across 3 main headings:

a) Audit Scope;

b) Reporting;

c) Additional powers and duties.

3.5.1.3 The Council's accounts are scrutinised by external auditors, who must be satisfied that the Statement of Accounts 'presents a true and fair view' (Para 20 2014 Act) of the financial position of the Council and its income and expenditure for the year in question and complies with the legal requirements.

C.3.6 Key controls

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

C.3.7 Responsibilities of the Director of Resources

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

3.7.2 To work with the external auditor and advise the Council, and Directors on their responsibilities in relation to external audit.

3.7.3 To ensure there is effective liaison between external and internal audit.

C.3.8 Responsibilities of Directors

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

3.8.2 To ensure that all records and systems are up to date and available for inspection.

C.4. PREVENTING FRAUD AND CORRUPTION

C.4.1 Why is it this important?

4.1.1 The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Council.

4.1.2 The Council's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

4.1.3 The Council also expects that individuals and organisations (e.g. suppliers, contractors, service providers) with whom it comes into contact will act towards the Council with integrity and without thought of or actions involving fraud and corruption. It must guard against the possibility that these expectations will not be fulfilled in all respects.

C.4.2 Key controls

4.2.1 The key controls regarding the prevention of financial irregularities are that:

a) the Council has an effective Anti-Fraud and Anti-Corruption Policy and maintains a culture that will not tolerate fraud or corruption;

b) all Members and staff act with integrity and lead by example as per the relevant Code of Conduct;

c) Managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Council or who are corrupt;

d) high standards of conduct are promoted amongst Members by the standards committee;

e) the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded;

f) "whistle blowing" procedures are in place and operate effectively;

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

C.4.3 Responsibilities of the Director of Strategy Performance and Governance.

4.3.1 To maintain and review an Anti-Fraud Policy.

C.4.4 Responsibilities of the Director of Resources

4.4.1 To maintain adequate and effective internal control arrangements.

4.4.3 To ensure that all suspected irregularities are investigated, and all proven irregularities reported to the Monitoring Officer and S151.

C.4.5 Responsibilities of Directors

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

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

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

C.4.6 Responsibility of the Monitoring Officer

4.6.1 To maintain a register of interests.

C.5. ASSETS

C.5.1 Security

5.1.1 Why is this important?

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

C.5.2 Key controls

5.2.1 The key controls for the security of resources such as land, buildings, fixed plant machinery, equipment, software and information are:

a) resources are used only for the purposes of the Council and are properly accounted for;

b) resources are available for use when required;

c) resources no longer required are disposed of in accordance with the law and the regulations of the Council so as to maximise benefits;

d) an asset register is maintained for the Council, assets are recorded when they are acquired by the Council and this record is updated as changes occur with respect to the location, value and condition of the asset;

e) all staff are aware of their responsibilities with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Act and software copyright legislation;

f) all staff are aware of their responsibilities with regard to safeguarding the security of the Council's Information Communication Technology (ICT) Systems, including maintaining restricted access to the information held on them and compliance with the Council's Information Communication Technology and internet security policies.

C.5.3 Responsibilities of the Director of Resources

5.3.1 To ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of a specified financial limit (see **Appendix F**). The function of the asset register is to provide the Council with information about fixed assets so that they are:

a) safeguarded;

b) used efficiently and effectively;

c) adequately maintained.

5.3.2 To receive the information required for accounting, costing and financial records from each Director.

5.3.3 To ensure that assets are valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

C.5.4 Responsibilities of Directors

5.4.1 A property database shall be maintained by the Director of Resources for all properties, plant and machinery and moveable assets currently owned or used by the Council subject to the minimum values specified in **Appendix F**. Any use of property by a service other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.

5.4.2 To ensure that lessees and other prospective occupiers of council owned land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the Council's legal advisor, has been established.

5.4.3 To ensure the proper security of all buildings and other assets under their control in accordance with laid down guidelines.

5.4.4 Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the Director and the Director of Resources (see **Appendix F**).

5.4.5 To pass title deeds to the Monitoring Officer who is responsible for maintaining the central repository of all title deeds.

5.4.6 To ensure that no Council asset is subject to personal use by a Member or employee without prior agreement of the relevant Director.

5.4.7 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Council.

5.4.8 To ensure that an inventory is maintained of moveable assets (subject to limits in **Appendix F)** in accordance with arrangements defined by the Corporate Leadership Team.

5.4.9 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.

5.4.10 To consult the Director of Resources in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

5.4.11 To ensure cash holdings on premises are kept to a minimum.

5.4.12 To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the Director of Resources as soon as possible.

5.4.13 To record all disposals or part exchange of assets that should normally be by competitive tender or public auction in accordance with ***Contract Procedure Rules***, unless, the Finance & Corporate Services Committee agrees otherwise.

5.4.14 To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Council in some way.

5.4.15 To maintain inventories and record an adequate description of furniture, fittings, equipment, plant and machinery above a specified financial limit in value (see **Appendix F**).

5.4.16 To carry out an annual check of all items on the inventory in order to verify location and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers and cameras should be identified with security markings as belonging to the Council.

5.4.17 To make sure that property is only used in the course of the Council's business, unless the Director concerned has given permission otherwise.

C.5.5 Asset disposal

5.5.1 Why is this important?

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

C.5.6 Key controls

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

5.6.2 Procedures protect staff involved in the disposal from accusations of personal gain.

C.5.7 Responsibilities of the Director of Resources

5.7.1 To issue advice on disposal in accordance with ***Contract Procedure Rules***.

5.7.2 To ensure appropriate accounting entries are made to remove the value of disposed assets from the Council's records and to include the sale proceeds if appropriate.

C.6. TREASURY MANAGEMENT

C.6.1 Why is this important?

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

C.6.2 Key controls

6.2.1 That the Council's borrowings and investments comply with the CIPFA Code of Practice on Treasury Management and with the Council's treasury management practices (TMP's).

6.2.2 That the Finance & Corporate Services Committee receives reports on Treasury activity at least twice a year in accordance with the code of practice and that the Treasury Management Strategy is subject to annual scrutiny before it is agreed.

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

6.3.1 To arrange the borrowing and investments of the Council in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the Council's treasury management practices and strategy.

6.3.2 To prepare reports for the consideration of the Finance & Corporate Services and Overview & Scrutiny Committees.

6.3.3 To operate bank accounts as are considered necessary – opening or closing any bank account shall require the written approval of the Director of Resources in accordance with the Banking Mandate (**Appendix G**).

C.6.4 Responsibilities of Directors – treasury management and banking

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

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

6.5.1 To ensure that all investments of money are made in the name of the Council.

6.5.2 To ensure that all securities that are the property of the Council and the title deeds of all property in the Council's ownership are held in the custody of the Monitoring Officer or under arrangements approved by the Director of Resources.

6.5.3 To effect all borrowings in the name of the Council.

6.5.4 To maintain records of all borrowing of money by the Council.

C.6.6 Responsibilities of Directors – investments and borrowing

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

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

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

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

6.8.1 To provide employees of the Council with cash imprest accounts to meet minor expenditure on behalf of the Council and to prescribe rules for operating these accounts. Minor items of expenditure should not exceed the prescribed amount.

6.8.2 To determine the petty cash limit and to maintain a record of all transactions and petty cash advances made, and periodically to review the arrangements for the safe custody and control of these advances.

6.8.3 To reimburse imprest holders, as often as necessary, to restore the imprests.

C.6.9 Responsibilities of Directors – imprest accounts

6.9.1 To ensure that employees operating an imprest account:

a) obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained;

b) make adequate arrangements for the safe custody of the account;

c) produce upon demand by the Director of Resources cash and all vouchers to the total value of the imprest amount;

d) record transactions promptly;

e) reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder;

f) provide the Director of Resources with a certificate of the value of the account held at 31 March each year;

g) ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made.

C.7. STAFFING

C.7.1 Why is this important?

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

C.7.2 Key controls

7.2.1 The key controls for staffing are:

a) procedures are in place for forecasting staffing requirements and cost;

b) controls are implemented to ensure that staff time is used efficiently and to the benefit of the Council;

c) checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced, lawfully resident and trustworthy.

C.7.3 Responsibilities of the Director of Resources

7.3.1 To act as an advisor to Directors on areas such as Income Tax, National Insurance and pension contributions, as appropriate.

7.3.2 To ensure that staff costs are charged accurately to allow Directors to monitor staffing budgets effectively.

C.7.4 Responsibilities of Directors

7.4.1 To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.

7.4.2 To ensure that the staffing budget is not exceeded without due authority and that it is managed to enable the agreed level of service to be provided.

7.4.3 To ensure that the Director of Resources is immediately informed if the staffing budget is likely to be materially over- or under-spent.

D. FINANCIAL SYSTEMS AND PROCEDURES

D.1. GENERAL

D.1.1 Why is this important?

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

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

D.1.2 Key controls

1.2.1 The key controls for systems and procedures are:

a) basic data exists to enable the Council's objectives, targets, budgets and plans to be formulated;

b) performance is communicated to the appropriate managers on an accurate, complete and timely basis;

c) early warning is provided of deviations from target, plans and budgets that require management attention;

d) operating systems and procedures are secure.

D.1.3 Responsibilities of the Director of Resources

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

a) issue advice, guidance and procedures for officers and others acting on the Council's behalf;

b) determine the accounting systems, form of accounts and supporting financial records;

c) establish arrangements for audit of the Council's financial affairs;

d) approve any new financial systems to be introduced;

e) approve any changes to be made to existing financial systems.

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

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

D.1.4 Responsibilities of Directors

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

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

1.4.3 To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.

1.4.4 To incorporate appropriate controls to ensure that, where relevant:

a) all input is genuine, complete, accurate, timely and not previously processed;

b) all processing is carried out in an accurate, complete and timely manner;

c) output from the system is complete, accurate and timely.

1.4.5 To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.

1.4.6 To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.

1.4.7 To ensure that systems are documented and staff trained in operations.

1.4.8 To consult with the Director of Resources before changing any existing system or introducing new systems.

1.4.9 In consultation with the Director of Resources to establish a scheme of delegation identifying officers authorised to act upon the Directors behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.

1.4.10 To supply lists of authorised officers, with specimen signatures and delegated limits, to the Director of Resources, together with any subsequent variations.

1.4.11 To ensure that relevant standards and guidelines for ICT systems issued by the Director of Resources or IT Manager are observed.

1.4.12 To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.

1.4.13 To comply with the copyright, designs and patents legislation and, in particular, to ensure that:

a) only software legally acquired and installed by the Council is used on its computers;

b) staff are aware of legislative provisions;

c) in developing systems, due regard is given to the issue of intellectual property rights.

D.2. INCOME AND EXPENDITURE

D.2.1 Income

2.1.1 Why is this important?

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

D.2.2 Key controls

2.2.1 The key controls for income are:

a) all income due to the Council is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed;

b) all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery;

c) all money received by an employee on behalf of the Council is paid in without delay through the Council's payment facility, as the Director of Resources directs, to the Council's bank account, and properly recorded. The responsibility for cash collection should be separated from that:

   i. for identifying the amount due
   ii. for reconciling the amount due to the amount received

d) effective action is taken to pursue non-payment within defined timescales;

e) formal approval for debt write-off is obtained;

f) appropriate write-off action is taken within defined timescales;

g) appropriate accounting adjustments are made following write-off action;

h) all appropriate income documents are retained and stored for the defined period in accordance with the document retention guidelines;

i) money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

D.2.3 Responsibilities of the Director of Resources

2.3.1 To agree arrangements for the collection of all income due to the Council and to approve the procedures, systems and documentation for its collection.

2.3.2 To approve all debts to be written off in consultation with the relevant Director and to keep a record of all sums written off up to the approved limit and to adhere to the requirements of the Accounts and Audit Regulations 2015.

2.3.3 To obtain the approval of the Finance & Corporate Services Committee in consultation with the relevant Director for writing off debts in excess of a specified financial limit (see **Appendix F**)

2.3.4 To ensure that appropriate accounting adjustments are made following write-off action.

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

D.**2.4 Responsibilities of Directors**

2.4.1 To implement the charging policy for the supply of goods or services, including the appropriate charging of VAT (in consultation with the Director of Resources where appropriate), and to review it regularly, in line with corporate policies.

2.4.2 To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.

2.4.3 To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.

2.4.4 To issue official receipts or to maintain other documentation for income collection.

2.4.5 To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.

2.4.6 To hold securely receipts, tickets and other records of income for the appropriate period in accordance with the documentation retention policy.

2.4.7 To secure all income to safeguard against loss or theft, and to ensure the security of cash handling.

2.4.8 To ensure that income is paid fully and promptly into the appropriate Council bank account in the form in which it is received. Appropriate details should be recorded on paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a regular basis.

2.4.9 To ensure personal cheques or other payments are not en-cashed.

2.4.10 To supply the Director of Resources with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Director of Resources to record correctly the sums due to the Council and to ensure accounts are sent out promptly. Directors have a responsibility to assist the Director of Resources in collecting debts that they have originated**,** by providing any further information requested about the debtor, and in pursuing the matter on the Council's behalf.

2.4.11 To notify the Director of Resources of outstanding income relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Director of Resources and not later than 15th April.

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

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

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

D.**3.2** General

3.2.1 Every Officer and Member of the Council has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with appropriate codes of conduct.

3.2.2 Official orders must be in a form approved by the Director of Resources. Official orders must be issued for all work, goods or services to be supplied to the Council, except for supplies of utilities, periodic payments, petty cash purchases or other exceptions specified by the Director of Resources.

3.3.3 Each order must conform to the guidelines approved by the Council on procurement Standard terms and conditions and must not be varied without the prior approval of the Director of Resources.

3.3.4 Apart from petty cash, the normal method of payment from the Council shall be by BACS drawn on the Council's bank account by the Director of Resources. The use of direct debit shall require the prior agreement of the Director of Resources. The use of Council procurement/business cards by non card holders shall require the prior agreement of the Director of Resources.

3.3.5 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Council contracts, except where there is a specific Council policy to the contrary.

3.3.6 Detailed regulations relating to Procurement are set out in the Council's ***Contract Procedure Rules.***

3.3.7 Where an order is not appropriate as discussed in section 3.2.2, authorisation must be provided on the specified form and attached to the invoice for payment. Authorisation thresholds for Officers are set out in **Appendix H.**

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

3.3.1 The key controls for ordering and paying for work, goods and services are:

a) all goods and services are ordered only by authorised persons and are correctly recorded;

b) all goods and services shall be ordered in accordance with the Council's ***Contract Procedures Rules***;

c) goods and services received are checked to ensure they are in accordance with the order;

d) payments are not made unless goods have been received by the Council to the correct price, quantity and quality standards;

e) all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method;

f) all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention guidelines;

g) all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected by journal;

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

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

3.4.1 To ensure that all the Council's financial systems and procedures are sound and properly administered.

3.4.2 To approve any changes to existing financial systems and to approve any new systems before they are introduced.

3.4.3 To approve the form of official orders and associated terms and conditions in consultation with the Council's legal advisors.

3.4.4 To make payments from the Council's funds on the Director's authorisation that the expenditure has been duly incurred in accordance with financial regulations.

3.4.5 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.

3.4.6 To make payments to contractors on the certificate of the appropriate Director, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.

3.4.7 To provide advice and encouragement on making payments by the most economical means, in accordance with the Council's Procurement Strategy and associated guidance.

3.4.8 To ensure that payment is not made unless a proper VAT invoice, where appropriate, has been received, checked and coded, confirming:

(a) that the invoice has not previously been paid;

(b) that expenditure has been properly incurred;

(c) that prices and arithmetic are correct;

(d) correct accounting treatment of tax;

(e) that discounts have been taken where available;

(f) that appropriate entries will be made in accounting records.

3.4.9 To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice, except where the original invoice has been lost, in which case a check must be made to see if payment has been made and if it has not the copy annotated accordingly prior to payment.

D.**3.5 Responsibilities of Directors**

3.5.1 To ensure that official orders are issued via the e-procurement system for all goods and services, other than the exceptions as specified in 3.2.2.

3.5.2 To ensure that orders are only used for goods and services provided to the service. Individuals must not use official orders to obtain goods or services for their private use (see 3.3.5).

3.5.3 To ensure that only staff authorised to raise orders (Buyers) via the e-procurements system have access to the system. To ensure that only staff authorised to approve orders above the specified limit have access to the system. Buyers and Approvers should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best Value principles should underpin the Council's approach to procurement. Value for money should always be achieved.

3.5.4 To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories if necessary.

3.5.5 To ensure that the e-payment system is updated to show the receipt of goods, immediately after the goods are received.

3.5.6 Wherever possible to ensure that two authorised members of staff are involved in the ordering and receiving process.

3.5.7 To encourage suppliers of goods and services to receive payment by the most economical means for the Council. It is essential, however, that payments made by direct debit have the prior approval of the Director of Resources.

3.5.8 To ensure that the service obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality. Due regard to be taken of the Council's procurement strategy and associated procurement guidance.

3.5.9 To ensure that employees are aware of the national code of conduct for local government employees specified in personnel policies.

3.5.10 To ensure that, loans, leasing or rental arrangements are not entered into without prior agreement from the Director of Resources.

3.5.11 To notify the Director of Resources of outstanding expenditure relating to the previous financial year as soon as possible after 31st March in line with the timetable determined by the Director of Resources.

3.5.12 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Director of Resources the systems and procedures to be adopted in relation to financial aspects. This includes certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.

3.5.13 To notify the Director of Resources immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.

3.5.14 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention guidelines.

D.4. PAYMENTS TO EMPLOYEES AND MEMBERS

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

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

D.**4.2** Key controls

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

(a) proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:

i. starters
ii. leavers
iii. variations
iv. enhancements
v. and that payments are made on the basis of timesheets or claims;
vi. frequent reconciliation of payroll expenditure against approved budget and bank account;

(b) all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention guidelines;

(c) that HM Revenues and Customs regulations are complied with.

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

4.3.1 To arrange and control the secure and reliable payment of salaries, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him/her, on the due date.

4.3.2 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention guidelines.

4.3.3 To record and make arrangements for the accurate and timely payment of tax, pensions and other deductions.

4.3.4 To make arrangements for payment of all travel and subsistence claims.

4.3.5 To make arrangements for paying Members travel or other allowances upon receiving the prescribed form, duly completed and authorised.

4.3.6 To ensure that adequate and effective systems and procedures are operated, so that:

(a) payments are only authorised to bona fide employees;

(b) payments are only made where there is a valid entitlement;

(c) conditions and contracts of employment are correctly applied, employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

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

D.4.4 **Responsibilities of Directors**

4.4.1 To send an up-to-date list of the names of officers authorised to sign records to the Director of Resources, together with specimen signatures.

4.4.2 To ensure that payroll transactions are processed only through the payroll system. Directors should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. HM Revenues and Customs applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Director of Resources.

4.4.3 To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Council, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and the Director of Resources is informed where appropriate.

4.4.4 To make, having regard to the particular circumstances of each case, ex gratia payments not exceeding a specified financial limit (see **Appendix F**) in any one case, subject to consultation with the Director of Resources. The circumstances of the proposed payment must not have the effect of circumventing other Council pay and allowance policies, tax rules or other legislation.

4.4.5 To notify the Director of Resources of all appointments, terminations or variations that may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Director of Resources.

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

D.4.5 Responsibilities of Members and Officers

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

D.5. TAXATION

D.5.1 Why is this important?

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

D.5.2 Key controls

5.2.1 The key controls for taxation are:

(a) Finance staff remain abreast of tax legislation, in particular that relating to PAYE, NICs, CIS and VAT.

(b) budget managers are provided with relevant information and kept up to date on tax issues;

(c) budget managers are instructed on required record keeping;

(d) all taxable transactions are identified, properly carried out, accounted for within stipulated time-scales and paid through appropriate financial systems;

(e) records are maintained in accordance with instructions;

(f) returns are made to the appropriate authorities within the stipulated timescale.

D.5.3 Responsibilities of the Director of Resources

5.3.1 To complete all HM Revenues and Customs returns regarding PAYE and NIC's.

5.3.2 To complete a monthly return of VAT inputs and outputs to HM Revenues and Customs.

5.3.3 To provide details to HM Revenues and Customs regarding the construction industry tax deduction scheme in accordance with their deadlines.

5.3.4 To provide guidance for Council employees on taxation issues (including VAT).

D.5.4 Responsibilities of Directors

5.4.1 To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Revenues and Customs regulations.

5.4.2 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.

5.4.3 To follow any guidance on taxation issued by the Director of Resources.

D.6. TRADING ACCOUNTS AND BUSINESS UNITS

D.6.1 Why is this important?

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

D.6.2 General

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

D.6.3 Responsibilities of the Director of Resources

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

D.6.4 Responsibilities of Directors

6.4.1 To ensure that the control of the trading activity will be to the financial target (the 'bottom line') rather than to individual expenditure and income estimate headings

6.4.2 To ensure that as a minimum, a break even position should be achieved.

6.4.3 To report to the Finance & Corporate Services Committee, where a trading activity plans a significant item of expenditure (e.g. a capital scheme, the purchase of a major item of computer software or the creation of a major ongoing revenue commitment), prior to the expenditure being committed, unless already in an approved capital programme

6.4.4 To make a full report to the Finance & Corporate Services Committee, as soon as it is known that the trading activity may make a deficit.

6.4.5 To make a report to the Finance & Corporate Services Committee on the outturn of each trading activity compared to the financial plan.

6.4.6 To consult with the Director of Resources and the Council's legal advisors where a trading activity wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the Council. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty.

E. EXTERNAL ARRANGEMENTS

E.1. PARTNERSHIPS

E.1.1 Why is this important?

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

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

E.1.2 General

1.2.1 The main reasons for entering into a partnership are:

a) the desire to find new ways to share risk;

b) the ability to access new resources;

c) to provide new and better ways of delivering services;

d) to forge new relationships.

1.2.2 A partner is defined as either:

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

1.2.3 Partners participate in projects by:

a) acting as a project deliverer or sponsor, solely or in concert with others;

b) acting as a project funder or part funder;

c) being the beneficiary group of the activity undertaken in a project.

1.2.4 Partners have common responsibilities:

a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation;

b) to act in good faith at all times and in the best interests of the partnership's aims and objectives;

c) be open about any conflict of interests that might arise;

d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors;

e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature;

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

E.**1.3** **Key controls**

1.3.1 The key controls for Council partners are:

a) if appropriate, to be aware of their responsibilities under the Council's financial regulations and procedures together with ***Contract Procedure Rules***;

b) to ensure that risk management processes are in place to identify and assess all known risks;

c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise;

d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences;

e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

E.**1.4** **Responsibilities of the Director of Resources**

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

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

a) a scheme appraisal for financial viability in both the current and future years;

b) risk appraisal and management;

c) resourcing, including taxation issues;

d) audit, security and control requirements;

e) carry-forward arrangements.

1.4.3 To ensure that the accounting arrangements are satisfactory.

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

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

E.**1.5** **Responsibilities of Directors**

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

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

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

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

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

E.2. EXTERNAL FUNDING

E.2.1 Why is this important?

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

E.2.2 Key controls

2.2.1 The key controls for external funding are:

a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood;

b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by the Council;

c) to ensure that any match-funding requirements and future revenue implications are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

E.2.3 Responsibilities of the Director of Resources

2.3.1 To ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts.

2.3.2 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.

2.3.3 To ensure that audit requirements are met.

E.2.4 Responsibilities of Directors

2.4.1 To ensure that all claims for funds are made by the due date.

2.4.2 To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.

E.3. WORK FOR THIRD PARTIES

E.3.1 Why is this important?

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

E.3.2 Key controls

3.2.1 The key controls for working with third parties are:

a) to ensure that proposals are costed properly in accordance with guidance provided by the Director of Resources;

b) to ensure that contracts are drawn up using guidance provided by the Director of Resources and that the formal approvals process is adhered to;

c) to issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

E.**3.3** **Responsibilities of Director of Resources**

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

E.**3.4** **Responsibilities of Directors**

3.4.1 To ensure that the approval of the appropriate Programme committee is obtained before any negotiations are concluded to work for third parties.

3.4.2 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Director of Resources.

3.4.3 To ensure that appropriate insurance arrangements are made.

3.4.4 To ensure that the Council is not put at risk from any bad debts.

3.4.5 To ensure that no contract is subsidised by the Council.

3.4.6 To ensure that, wherever possible, payment is received in advance of the delivery of the service.

3.4.7 To ensure that the service has the appropriate expertise to undertake the contract.

3.4.8 To ensure that such contracts do not impact adversely upon the services provided for the Council.

3.4.9 To ensure that all contracts are properly documented.

3.4.10 To provide appropriate information to the Director of Resources to enable a note to be entered into the Statement of Accounts.

F. FINANCIAL LIMITS

F.1. General

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

F.1.2 Virements between Directorates require the approval of the Finance & Corporate Services Committee subject to the authorisation limits set out below. For the purpose of virements, salaries are to be considered as a Directorate in their own right and are under the control of the Head of Paid Service.

F1.3 The use of reserves is to be approved through the same authorisation process as virements where not approved as part of the annual budget or accounts processes, or have specific delegation.

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

(a) Virements within same Directorate

Relevant Director and Director of Resources

(b) Virements between different Directorates

(i) Up to **£20,000** – Director and Director of Resources and reported quarterly to members via email.

(ii) Over **£20,000** up to **£50,000** - Director, Director of Resources in consultation with relevant Programme committee Chairman; and reported to the next Finance & Corporate Services Committee meeting;

(iii) Over **£50,000** - the Finance & Corporate Services Committee.

(c) Supplementary Estimates

(i) Up to **£20,000** – Director and Director of Resources in consultation with the Chairman of the Finance & Corporate Services Committee and the Leader and reported to the next Finance & Corporate Services Committee;

(ii) Over **£20,000** – the Finance & Corporate Services Committee.

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

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

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

F.1.7 Any excess expenditure over the approved contract sum of more than **5%** or **£10,000** whichever is the greater must be reported to the Programme committee (Appendix B paragraph 2.19.8).

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

F.1.9 All items with a value in excess of **£500** shall be included in inventories (Appendix C paragraph 5. 4.15). IT assets (laptops, monitors, printers etc but excluding IT peripherals) are an exception to this limit as are more desirable, and are all recorded on the IT inventory.

F.1.10 Finance & Corporate Services Committee approval is required to declare land surplus to requirements where the value exceeds **£10,000** (Appendix C paragraph 5.4.4).

F.1.11 Finance & Corporate Services Committee approval is required to write-off bad debts in excess of **£10,000** (Appendix D paragraph 2.3.3), in the case of Non Domestic Rates Debts this is increased to **£20,000.**

F.1.12 Finance & Corporate Services Committee approval is required to make ex-gratia payments in excess of **£2,000** (Appendix D paragraph 4.4.4).

F.1.13 Finance limits relating to contracts are contained in the Council's ***Contract Procedure Rules***.

G. BANK MANDATE

G.1. Cheques are only to be issued in emergencies and will be from the contingency cheque book.

G.2. Cheques above £10,000 shall be countersigned by the Director of Resources or, in his/her absence, the Director of Service Delivery or the Director of Strategy Performance and Governance.

G.3. Amendments to cheques can be countersigned by the above and additionally the Resources Specialist Manager for cheques up to £10,000.

G.4. Manual CHAPS payments shall be signed by any of the following:

a) Director of Resources

b) Director of Service Delivery

c) Director of Strategy Performance and Governance

*G.*5. All arrangements with the Council's financial institutions shall be made by the Director of Resources who shall be authorised to operate such banking accounts/investments/financial instruments as he/she may consider necessary.

*G.*6. All cheques shall be ordered only on the authority of the Director of Resources or under arrangements made by him/her.

*G.*7. All cheques shall be ensured are kept in safe custody by the Director of Resources until issue.

*G.*8. All instructions relating to the Council's banking accounts, shall be authorised by the Director of Resources or Officers authorised by him or her.

*G.*9. Payments may be made by BACS or CHAPS electronic transmission subject to two electronic signatures; and submission by an authorised card holder authentication. Responsibility for the delegation of authorisation below Director level and limits applicable is set by the Director of Resources.

H. AUTHORISATION ARRANGEMENTS

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

* Note requirement for written contracts above £50,000 – See Section 16.2 of Contract Procedure Rules.

Definitions (as per Contract Procedure Rules)

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

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

Director- One of three Directors responsible for operational delivery of services

I. DELEGATIONS

I.1.1 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.

1.1.3. Other Officer delegations: -

Officer	**Delegation given to:**
Service Director	Another Service Director
Group Manager	Service Director

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APPENDIX 3

Document Control Sheet

Document title	Pay Policy Statement
Summary of purpose	Compliance with Localism Act
Prepared by	Group Manager ; People, Performance and Policy
Status	Final
Version number	5
Approved by	
Approval date	
Date of implementation	Immediate
Review frequency	Annual (or as necessary before then)
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Validity Statement

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

MALDON DISTRICT COUNCIL

Pay Policy Statement

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

1. General policy

1.1 The Council has undertaken a Job Evaluation exercise which reviewed every post in the Council, up to and including the Corporate Directors, on a consistent basis and placed them within a single unified pay scale. The pay scale was designed to be consistent with best practice and benchmarked as to value and applies up to and including Director level. In accordance with the Council's constitution, the remuneration of the posts of the Directors were set by the Appointments Committee composed of elected Members of the authority.

1.2 The Job Evaluation process was designed to achieve compliance with Equal Pay legislation and, further to this, the contractual terms and conditions of staff were also standardised at the same time. The effect is that the remuneration of all Council employees is governed by a single set of policies and procedures. This is reflected in the Pay Policy statements below.

1.3 The pay multiple for 18/19 is based on the ratio of the Corporate Directors Salary to all other employees average FTE salary and equates to 3.64. The Government has considered setting twenty to one as a maximum. As a result it is not considered necessary to have a specific policy concerning the pay multiple. If the multiple starts to rise, for example above five to one, this could be reconsidered.

2. Policy regarding pay to "Chief Officers"

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

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

- The three Director posts
- The Monitoring Officer

2.2 Pay

2.2.1 The role of Director was introduced following the 2014 Senior Management Review and pay set by the Job Evaluation process. Now the pay line has been set it is subject to the same factors as the rest of staff pay, for example any annual pay award granted.

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

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

2.3 Performance related pay and bonuses

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

2.4 Fees, allowances, benefits in kind and expenses

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

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

2.5 Pension

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

2.6 Severance payments

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

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

2.6.3 Should a senior staff member leave as a result of a settlement agreement these, by their nature, are subject to negotiation with the individual and their representatives and so are variable in their terms. Such agreements are

formal legal arrangements and confidentiality binding on both parties is a key component, so any payment arising from such an agreement would not be published. Authorisation of the payment would be in accordance with the Council's terms of reference and scheme of delegation and it would need to represent value for money for the taxpayer in the circumstances.

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

2.7 Recruitment of senior staff

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

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

2.7.3 In accordance with the guidance set out in the Localism Act, Full council should be given the opportunity to vote before large salary packages (£100k or above) offered in respect of a new appointment. This will be considered by the Council should the opportunity arise in the future."

2.8 Monitoring Officer

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

2.9 Publication of remuneration of senior staff

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

2.9.2 The remuneration and pension contributions of the posts listed in 2.1 above are published annually in the Financial Statements of the Authority and a copy placed on the website.

3. Lowest paid staff

3.1 Definition

3.1.1 The lowest paid staff at Maldon District Council are those in Pay Band A (£13,560 to £14,890). This definition has been chosen as reflecting the reality of the pay line. The posts in Band A were placed there as a result of the Council's Job Evaluation scheme.

3.2 Pay Policy in respect of lowest paid staff

3.2.1 The Council has confirmed its commitment to paying the National Living Wage of £8.45 per hour. Therefore, those in Pay Band A and some in Pay Band B (£15,603 - £16,665) are paid a supplement.

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

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