



MALTON TOWN COUNCIL
MEDIUM TERM FINANCIAL PLAN
2022-2026

Contents

1. Introduction
2. Business Plan 2022-2026
3. Four Year Financial Strategy
4. Risk Management
5. Financial Risk Management
6. Earmarked Capital Receipts
7. Capital Expenditure
8. Community Infrastructure Levy/Section 106

1. Introduction

The objective of the Council's financial strategy is to structure and manage its finances in support of the Council's Business Plan and Action Plan. Good financial management is essential so that the Council may deliver quality services but also effectively manage public monies. The strategy will help the Council make decisions to ensure that its objectives are met.

2. Business Plan 2022-26

The vision for the future of Malton Town is:-

"To operate at the highest Gold standards. In this way, we will add more value for our residents and make Malton a forward thinking, highly desirable place to live, work, socialise and play. We will help create a safe, successful, attractive, prosperous and healthy environment. A gateway to tourist attractions, mixed commercial interest, job opportunities, excellent schools and training providers with its own distinctive identity, acting as a hub for the surrounding towns and villages facilitated by excellent rail links. Our main way of reaching this goal is to maintain the standards of the NALC Quality Gold accreditation".

The Town Council's aim is to improve the quality of life for the residents of Malton and develop the local economy. To achieve this, we will:

- Engage with the residents to better understand their needs, and in turn explain how we will address the needs within the resources and powers available to the Town Council.
- Provide good quality, cost-effective services to help meet the needs and best interests of the town for the betterment of the local community.
- Provide a 'showcase' town which goes further to improve the standard of living for the benefit of residents, business owners and to encourage visitors.
- Engage, assist and encourage other bodies, voluntary organisations and key partners to provide services that support the Council's aims.

Our strategic objectives are:-

- (a) To encourage, develop and promote the economic and commercial vitality and positivity of the town.
- (b) Work with others to protect the town and its residents from the impact of environmental change, including climate change.
- (c) To create a healthy positive community by ensuring residents have access to social and recreational facilities and seek continuing improvement of these facilities.
- (d) To lobby other tiers of local government and their agencies to improve the traffic management and air quality of the town.
- (e) To work to improve community safety and lower fear of crime.
- (f) To source additional funding to facilitate further improvements in the town.

3. Four Year Financial Strategy

The Medium Term Financial Strategy (MTFS) does not exist in isolation. It provides the framework for the Council's strategic and financial policies and plans which will ensure the proactive financial management of the Council. Projecting the financial needs of the Council over the next four years will identify potential problems in advance so that the Council will be

able to adapt to any eventuality. Active risk management plays a pivotal role in ensuring that the Council can adapt to circumstances over which it has no control, but still be able to deliver its corporate objectives.

The following Medium Term Financial Strategy contains details of the Council's revenue budget, capital programme and treasury management strategy over the term of the next four financial years, identifying areas of risk and how the Council will manage that risk effectively. As the MTFP requires forward planning over a number of years, the budget projections are provisional and will be reviewed annually as part of the budget setting process.

4. Risk Management

The Council, through its system of internal control, has developed a culture of risk management as part of its overall strategic management. The Council aim to identify, quantify and control all risks and put into place arrangements in order to protect the Council and ultimately its stakeholders from the consequences of the risks identified. The Council has adopted a risk assessment management policy which specifies control measures and allocates action points to relevant officers and council committees.

5. Financial Risk Management

The annual budget setting report will detail all of the most significant financial risks that have been identified as part of the budget setting process and may adversely affect the Council's MTFP. The MTFP has been based on numerous assumptions:-

- Inflation rates
- Interest rates
- Inflationary pay awards
- Income generated from fees and charges
- Potential legal challenges
- A continued level of service provision

In developing its capital and revenue budgets, the Council has considered the financial risks that it faces and has tried to mitigate that risk. The Council has in developing its MTFP:-

- Adopted a prudent approach in its financial forecasting
- Developed a General & Earmarked Reserves Policy to ensure that the Council has adequate contingent balances so that the MTFP is affordable and deliverable
- Developed a realist and deliverable Earmarked Capital Receipts Budget

The Town Council operates in a sound financial control environment. The Responsible Financial Officer/Town Clerk has a clearly identified accountability for specific budgets and is responsible for implementing recommendations arising from the internal auditors reports. Member scrutiny is provided through the monthly Full Council meetings and the system of internal controls. Full Council approves the internal auditor's reports and plays a key role in the budget monitoring in receiving monthly reports containing analysis of budget variances. This enables the Council to review on a monthly basis if it has adequately mitigated risks or whether any further action needs to be taken in the financial year to ensure that the Council is not adversely affect financially and can deliver its MTFP.

5.1 Reserves and Balances

An essential requirement in developing the Council's MTFP is making an assessment of the adequacy of the Council's reserves and balances over the term of the strategy. Section 50 of the Local Government Finance Act 1992 requires that the Council gives due regard to the level of reserves and balances for the forthcoming years and the Responsible Financial Officer is required to set a balanced budget.

The General Fund Balance projects over the next four financial years are detailed below. Consideration has been given to a financial risk assessment, which will be carried out annually in line with the General & Earmarked Reserves Policy and set out in the annual budget report.

	2020/21 Confirmed	2022/23 Confirmed	2023/24 Confirmed	2024/25 Confirmed	2025/26 Confirmed
Precept	£224,656	£232,275	£230,196	£252,141	£272,970
General Fund Balance Carried Forward	£100,000 (confirmed)	£116,137 (confirmed)	£116,137 (confirmed)	£91,137 (estimate)	£91,137 (estimate)

5.1.1 Expenditure

In the context of the current adverse economic climate, the Council must look to continue its policy of proactively controlling its costs, in order to minimise the impact upon the tax payer.

- **Efficiency:** Efficiency and value for money are the bedrock of the Council's decision making process. In formulating its budget the Council through Full Council meetings reviews and challenges whether it is delivering value for money. The Council looks to identify savings and efficiencies that can be made without affecting service delivery;
- **Procurement:** During the term of this strategy, the Council will continue to look at accessing greater purchasing power. Several service contracts are due for renewal and the Council will look to achieve efficiency through procuring the same or better service at a lower cost to the Council;
- **Employment Cost:** The Council will review its operational resources on an ongoing basis and look to maintain well controlled employee costs. The Council will also look to optimise the use of its staff throughout the organisation.

5.1.2 Income

The Council does not receive any income other than those charges levied for its service provision, rental income, donations, grants and the precept.

Fees and Charges: The Council considers its scale of fees and charges on an annual basis at the October Full Council meeting. The Council complies with legal requirements in setting its charges and accessibility. The Council will look to achieve the maximum level of income that market forces in operation at the time will allow.

5.1.3 Tax Base & Parish Precepts:

The tax base is a figure that is determined by North Yorkshire Council annually and is the baseline for setting council tax charges.

In accordance with the Local Authorities (Calculation of Council Tax Base) regulations 1992, North Yorkshire Council has issues a tax base figure. This figure is based upon the estimated number of chargeable dwellings, expressed as the equivalent number of Band D dwellings, after allowing for reliefs, discounts and non-collection.

During the setting of the revenue and capital budgets due consideration has been given to the current economic climate, together with the request from central government that town and parish councils exercise restraint and ensure that no council taxpayer sees an increase in bills. However, consideration has been given to the need for the Council to increase its reserves and balances being mindful of future capital, revenue and treasury requirements.

The tax base figures for four years are shown in the table below:-

	2021/22	2022/23	2023/24	2024/25	2025/26
Precept	£224,656	£232,275	£230,196	£252,141	£272,970
Increase in Precept	5.73%	0%	0%	5.68%	5.99%
Council Tax on a Band “D” Property	£100.58	£100.58	£100.58	£106.30	£112.67

6. Earmarked Capital Receipts

In addition to the general fund, Councils can also maintain capital receipts which are earmarked for a particular purpose. In 2025 the Council resolved to allocate the earmarked capital receipt balance of £61,134.94 to purchase a civic building 1 Newgate, Malton. The balance of the purchase was funded from the Public Works Loan Board.

7. Capital Expenditure

Capital expenditure reflects the Council’s priorities that have either been highlighted through a risk assessment or are deemed imperative in achieving the strategic objectives as stated in the Council’s Business Plan.

The Council have a relatively small property portfolio, comprising of two cemeteries, two chapels, a storage building, workshop, war memorial, play area, gardens and a civic office building in the centre of Malton. The Council invested in its war memorial, cemeteries and play area over the previous five years invested in a substantial capital investment maintenance program so that the assets are fit for purpose. Improvement schemes in turn generate additional long-term repairing obligations, such as the requirement to maintain our assets.

7.1 Capital Receipts

Capital receipts are derived from the sale of a fixed asset and can only be used to fund capital expenditure. Accordingly capital receipts are usually the first reserve used to finance capital expenditure, as the use of the reserve is limited in its application. However, when capital receipts are used to finance capital expenditure there is a direct effect upon the revenue budget, resulting from a reduction in interest earned. The Council does not currently have any plans to dispose of any of its land and buildings over the next 4 years.

7.1.2 Revenue Contributions

The Council may use any surplus on the general fund above the required balance to fund capital expenditure, in line with the General & Earmarked Reserves Policy. The Council has also established earmarked capital receipts so that internal funding will be available in future to meet the anticipated capital expenditure.

7.1.3 Funding

The Council will look to source external funding for all suitable capital projects. At the current time the Council are looking to carry out a consultation exercise with regard to installing a fantasy castle at Rainbow Lane play area, this will require significant grant aid.

8. Community Infrastructure Levy/Section 106

In January 2022 the Council received Community Infrastructure Levy of £105,404.25, the Council will spend this money over the next four years on various projects to benefit the local community. The current remaining balance as at 8 January 2025 will be allocated on projects up to 2026.

Community Infrastructure Levy – Balance Remaining £29,357.19

ITEM NO	PROJECT NAME	DESCRIPTION	COST	STATUS
1.	Festive Lighting	Year three of Scheme 2. Storage and installation of Christmas tree and wifi. County Bridge column lights project to be delivered in partnership with Norton Town Council and Year one of Milton Rooms projection lighting.	£12,500	March 25
2.	Tractor Front Loader	Tractor front loader to assist the Cemetery Manager and Town Ranger to carry out projects in addition to repair and maintenance duties.	£4,277.19	March 25
3.	Bike Racks	Two additional bike rack planters on Castlegate and four replacement bike racks in the Market Place	£1,580	March 25
4.	Market Place Public Toilets	Transfer of the Market Place Public toilets to Malton Town Council	£10,000	March 25
5.	Wilding Project Plug Plants	Wilding Project – Year 1 York Road, Castle Howard Road & Milton Avenue	£1,000	March 25

Total Allocation £29,357.19

Adopted December 2022 (Date for renewal January 2025)