



MALTON TOWN COUNCIL

MEDIUM TERM FINANCIAL PLAN

2022-2026

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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 possible 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 will be by putting into place standards required for 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 Estimate
Precept	£224,656	£232,275	£230,196	£252,141	£257,183
General Fund Balance Carried Forward	£100,000 (confirmed)	£116,137 (estimate)	£116,137 (estimate)	£96,137 (estimate)	£100,000 (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 September 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 Ryedale District Council annually and is the baseline for setting council tax charges.

In accordance with the Local Authorities (Calculation of Council Tax Base) regulations 1992, Ryedale District 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:-

	2020/21	2021/22	2022/23	2023/24	2024/25
Precept	£207,565	£224,656	£232,275	£230,196	£252,141
Increase in Precept	5.77%	5.73%	0%	0%	5.68%
Council Tax on a Band "D" Property	£95.13	£100.58	£100.58	£100.58	£106.30

6. Earmarked Capital Receipts

In addition to the general fund, the Council also maintains capital receipts which are earmarked for a particular purpose. The Council has, through its General and Earmarked Reserves Policy, highlighted future capital expenditure requirements and established earmarked reserves in order to finance the expenditure when it is required. Details of the earmarked capital reserves are given below. The Council will continue to monitor the adequacy and relevance of its earmarked capital receipts on an annual basis.

Earmarked Capital Receipts - Balance Remaining £61,134.94 (as at 4th January 2024)

ITEM NO	PROJECT NAME	DESCRIPTION	ALLOCATION AMOUNT	STATUS	ACTION PLAN NO
1.	Central Malton Urban Green Space Project	Council to work with Fitzwilliam Malton Estate and key stakeholders to create a welcoming garden space in the centre of Market to include a fountain, wishing well, bandstand and heritage sculpture. Grant aid to be sourced for this project.	£30,000	Work ongoing in conjunction with FME	MTC15/16
2.	Highfield Country Park	Creation of a country park in the Peasey Hills area of Malton.	£10,000	Being considered by the land owner FME	MTC2
3.	Hovingham to Malton Path For All	A Path for Everyone route is for wheelchairs, walkers, cyclists of all ages, cycles adapted for disability, mobility scooters, horse-riders and runners	£10,000	Work ongoing	MTC21
Total Allocation			£50,000		

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 and gardens. The Council has historically under-invested in its war memorial, cemeteries and play area and as a result over the previous three 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 funding is being sourced to install a pump track at Rainbow Lane play area, following the results of a public consultation. The Council intend to match fund the pump track project with Community Infrastructure Levy funds.

8. Community Infrastructure Levy/Section 106

The Council received Section 106 funding of £157,412 as a contributory sum from developers in 2017. The Council spent this allocation on new innovative play equipment chosen by the local community at Rainbow Lane play area. 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 14 December 2022 will be allocated on projects up to 2026.

Community Infrastructure Levy – Balance Remaining £80,764.18

ITEM NO	PROJECT NAME	DESCRIPTION	COST	STATUS	ACTION PLAN NO
1.	Pump Track (Phase 1)	Following the results of a community consultation, Malton Town Council have agreed to install a pump track at Rainbow Lane Play Area. Total Cost £77,500	£20,000	To be installed in spring 2024	MTC14
2.	County Bridge Spiral Column Lights	Project to be delivered in partnership with Norton Town Council	£2,500	To be installed March 2024	MTC4
3.	Market Place Seating & Planting Area	Installation of a seating/planting area in the Market Place (outside Payleys). Total cost £9,600, Clerk	£7,600	Approved by FME	MTC16

		to apply for additional £2,000 grant aid from Visit Malton CIC			
4.	Chapel Damp & Redecoration	The chapels require some damp work and redecoration in those areas to maintain the chapels to an acceptable standard	£3,500	To be carried out in Spring 2024	MTC9
5.	Castlegate Garden	Project to transform the Morrison's garden area, including planting, sculptures and groundwork. Grants to be obtained for this project	£5,000	Wayleave agreements to be agreed	MTC2
6.	Light Weight Trailer	Purchase of a trailer (£2,000) to go on the back of the electric van to enable staff to carry out repair and maintenance. Trailer to be purchased from the sale of the current agricultural vehicle. Surplus funds from the sale of the current vehicle to go into available reserves	Purchased from the sale of the Kawasaki Mule	To be purchased in Spring 2024	MTC1
7.	Malton Heritage Trail	Project to be carried out in conjunction with Malton Museum	£5,000	Project planning to start in April 2024	MTC18
Total Allocation			£43,600		

Adopted December 2022 (Date for renewal January 2025)